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NEWS SUMMARY

GENERAL

Rees in Ulster 'Congo' warning

Ulster would face a "Congo-style" civil war if there was a British withdrawal, Secretary of State, Mr. Merlyn Rees, warned at the weekend.

In radio interviews he used the Congo illustration to stress the British Government's determination to continue direct rule while working a political solution. But Official Unionist leader, Mr. John Taylor, said he believed actual British abandonment was inevitable and that the present Ulster crisis was heading towards a climax. The sectarian war continued with the death of a Catholic in a bomb and bullet attack on a pub.

In London, where four bombs exploded last week, Bomb Squad chief, Commander Roy Hubbertson, predicted a long campaign. Passengers were evacuated from two British Airways flights at Heathrow yesterday after bomb warnings, but nothing was found. Back Page

BUSINESS

Pay curbs bring business optimism

THE GOVERNMENT'S pay restraints are already bringing a slow-down in the rise in industry's wages costs, contributing to a slightly more optimistic view of the general business situation, according to the latest Financial Times survey of business opinion.

The other helpful indicator is the marked improvement in companies' liquidity after the strains of last year.

However, for profitability, however, have taken a sharp turn for the worse. Profit margins, earnings on capital employed and earnings per share all showed a deterioration. Back Page and Page 33

Army units defy ro-left chief

Allegations were growing in circles of increasing resistance to the Communist faction within the armed forces. New challenges to the authority of the Commander-in-Chief, Lord Harewood, were being made from within the ranks. The Socialist and the moderate officers in the armed forces movement also defied the political moves. Page 7

Executive rescue

Argentine police rushed a civilian hide-out yesterday to rescue kidnapped British company chief Charles Lockwood, 66. They killed four of his captors. Mr. Lockwood was freed on payment of \$2m ransom when previously kidnapped in 1973. Page 1

Power struggle

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36 a ticket

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Poligamism talks

Police are to meet today to discuss the alleged case of a man who has married four women. The case is being handled by the police in a confidential manner. Page 2

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People and places

People, including four children, lost their lives in a house fire in Booter. Five others were injured. Page 2

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Caroline Marsh, wife of P.P.

Caroline Marsh, wife of P.P. Mr. Richard Marsh, was in critical condition yesterday in a Malaga hospital, from injuries received in a car crash Wednesday. Page 2

Deaths

Deaths: 40 ducks found dead in Thames between Hampton and Kingston Bridge since 15. Page 2

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Back £6 or Government may fall, Jones warns

BY JOHN ELLIOTT IN BLACKPOOL

TUC leaders will this week consolidate their close relationships with the Labour Government when their annual congress here overwhelmingly approves the £6 pay limit against a background of fears that the Government might fall if the policy fails.

Last night on the eve of the Congress at Blackpool, Mr. Jack Jones of the Transport Workers' Union, coupled with rising unemployment, could lead to an early General Election.

He also called on the Government to take measures to force increased industrial investment.

At the same time Mr. Len Murray, TUC general secretary, heralded the Congress week as marking a significant advance in the development of trade unionism and its integration in society, with considerable advances in industrial democracy.

The main concern this week, however, among both the union leaders and the 1,000 delegates representing the TUC's 10.3m members, is the fear of rising unemployment this winter and the impact of low industrial investment and rising prices on their livelihoods.

Mr. Murray said yesterday he was confident the policy would be approved but he made it clear that he also hoped the Government would listen to the speakers in the Congress, because "to us this policy is about jobs and prices, and not just about pay."

He will spell this out in his main speech on the Wednesday, along with a warning that the £6 should be universally applied and not reduced in pay negotiations. He will also send a clear message to the CBI and others that the TUC is not prepared to be manipulated into discussing yet what might replace the current policy next August.

Strident note

Mr. Jones, main architect of the TUC's special relationship with the Government, struck a more strident note and warned that there could be a General Election before the end of the year "if unemployment rises and the divisions grow apace within the ranks of the Labour Party and the trade unions."

Such an election could easily be lost by Labour, whose retention in office was vital to the trade unions and the country, he said. Mr. Jones praised the Government for "pumping many millions" of pounds into industry "to keep companies going in many areas, and then condemned the drift of unemployment from manufacturing to service industries because it created 'unnecessary employment'."

Mr. Jones also chose this week-end to reveal that he had decided to cancel his appearance at the opening of the U.N. on Tuesday, at which he was going to give an important speech. This caused a flurry of speculation that there were last-minute complications.

In fact, what has happened is that detailed and precise drafts of the document, with its annexes relating to the technical side of the new Israel withdrawal, when longer than expected.

A major element in the extension of the negotiations has been the Israeli desire to lay down as precisely as possible the terms of any technical negotiations on the mechanics of disengagement. They want to ensure against any pitfalls and prevent these negotiations dragging out beyond the anticipated two to three weeks.

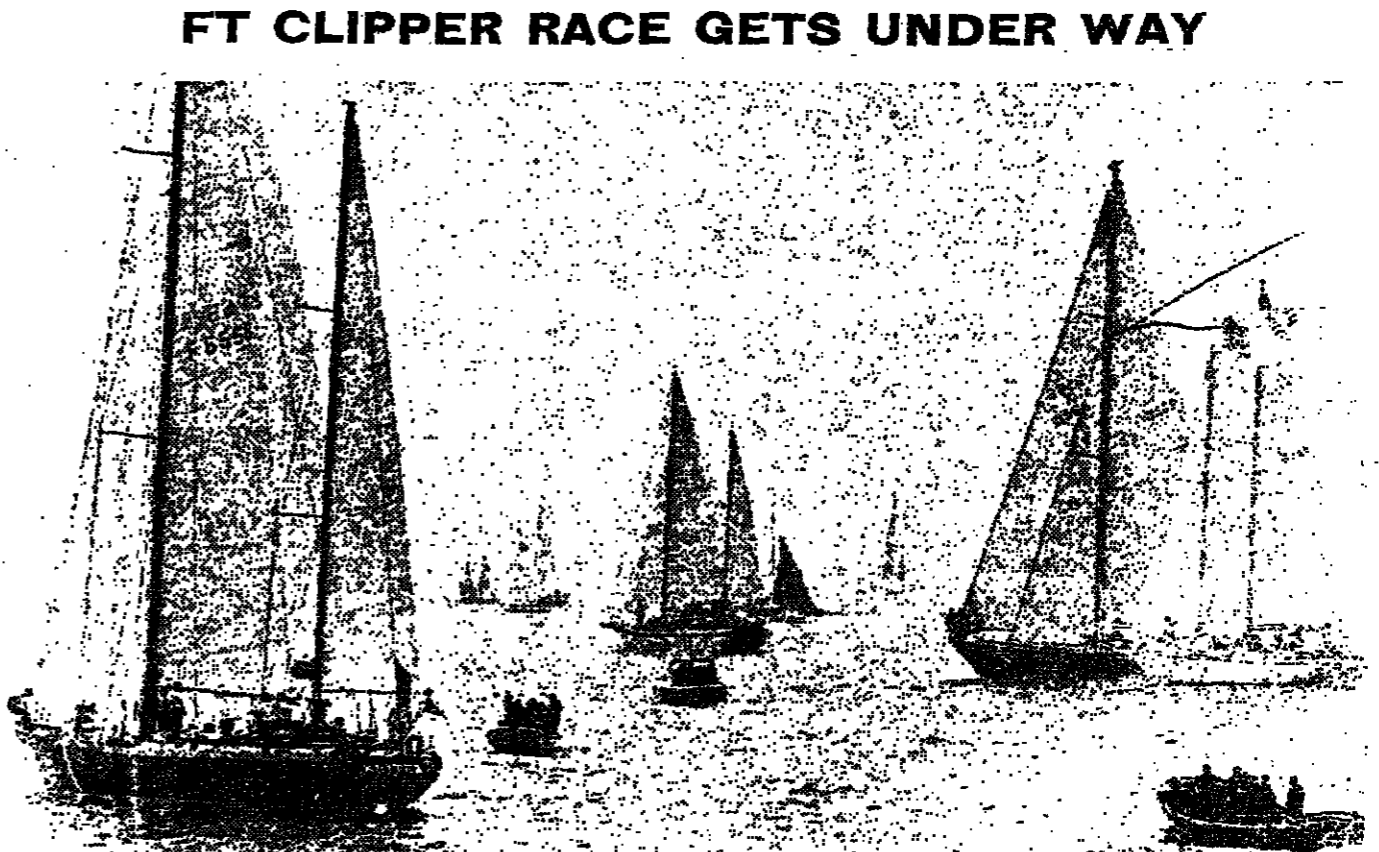
The Egyptian reportedly want to raise their military presence in Sinai from 7,500 men to 12,000, and the number of tanks from 55 to 75.

Another element which has taken time to iron out was Dr. Kissinger's demand that Israel should not only accept the agreement but also sign the agreement before Congress debates the controversial issue of deploying American technicians in surveillance stations in the Sinai buffer zone.

Originally, the Israeli negotiators refused to sign the agreement until the technical negotiations had been completed and Congress had given its approval.

Eventually, the Israelis gave in, making it clear they were not going to insist on the exact nature of the weapons which the Egyptian police and Abu Rudeis contingents will be allowed, the arms limitations details, and possibly the nature of the control of the early warning stations.

The sort of problems which have long been worrying the Egyptian military concern the possibility of propaganda gains in Israel if too much were made by Israel of the sharing of the road to Abu Rudeis.



Off to Sydney. The four contestants at the start of the Financial Times Clipper Race get under way off Sheerness yesterday morning. The Frenchman, Kriter II, is on the left with the Dutch entry Great

Escape in the centre ahead of the launch, Great Britain II, with K3566 on her sails, is partly hidden by the Italian CS and RB II Busnelli. More pictures and report Page 5

Special session of UN

By Malcolm Rutherford

NEW YORK, August 31.

THE SEVENTH special session of the United Nations General Assembly opens here to-morrow with no one quite sure whether it will lead to a confrontation between developed and developing countries or the beginning of a constructive dialogue on the new economic order.

Immediate concern among Western delegates is that some developing countries, notably Syria and Algeria, may seek to exclude Israel from UN organisations. This could effectively wreck the special session and provoke an extremely hostile reaction from the U.S.

Dr. Henry Kissinger, the U.S. Secretary of State, hinted strongly in a speech in July that any measures against Israel might lead to partial withdrawal of U.S. support from the U.N.

This threat did not deter some Arab countries from campaigning for anti-Israel moves at the meeting of non-aligned countries in Lima last week.

The Algerians, in particular, have special powers in this respect. Mr. Bouteflika, their Foreign Minister, will be in the chair and able to rule on a number of procedural questions.

At the General Assembly last autumn he was accused of manipulating the rules against both Israel and South Africa.

The main business of the special session is to discuss economic relations between developed and developing countries. These discussions have been going on for several years but have become more urgent since the fivefold rise in oil prices, which has affected some developing countries even more than the industrialised ones.

Mr. Callaghan, the Foreign Secretary, addresses the special session on Tuesday.

Editorial Comment Page 10

U.S. and EEC reach compromise on gold

BY PAUL LEWIS, U.S. EDITOR

WASHINGTON, August 31.

THE COMMON MARKET finally ended its long quarrel with the U.S. over the monetary role of gold this week-end, with a compromise agreement that provides for a substantial sale of gold by the IMF and places a ceiling on total Central Bank holdings for two years.

The agreement is part of a limited package of monetary reform measures that also includes a 2.5 per cent increase in IMF quotas, with the oil-exporting countries doubling their voting strength in the fund.

However, the U.S. is still refusing to implement either of these decisions unless France also agrees to endorse floating exchange rates—and this unresolved dispute has been put on one side until next January's Ministerial meeting of the IMF governing inter-committee in Jamaica.

The opening of the IMF's annual meeting also produced a strong appeal from Mr. Denis Healey, Chancellor of the Exchequer, for more reflation in Germany and Japan to end the world recession.

He was supported by the OECD Secretary-General, Mr. Emile Van Lennep, and Dr. Johannes Witteveen, IMF managing director, who congratulated the Chancellor on Britain's improved balance of payments—gold in now holds, using the

though he thought industrial re-profits to provide financial aid on concessionary terms to the sustain in the second half of poorest members of the developing world.

This gold may either be disposed of to central banks or the private market. But in either case, the IMF has an interest in policies as a result of these pleas—and the Finance Ministers of both countries told their colleagues from the rest of the industrial world in the Group of Ten today that their prime duty was to reduce global inflation by avoiding excessive expansion.

The understanding on gold was hammered out at yesterday's meeting of the so-called Group of Five—which comprises the Finance Ministers of France, Germany, the U.S., Britain and Japan, and which was attended by the Canadian Minister.

It was subsequently ratified this morning by the rest of the developed world in the Group of Ten and by the IMF interim committee, where the poorer countries are represented.

It provides, firstly, for all references to gold to be removed from the fund's articles of agreement, so that countries will no longer be required to sell off one-sixth (25m ounces) of the 150m ounces of improved balance of payments—gold in now holds, using the

Continued on Back Page

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HOME NEWS

Left-wing poised to gain control of Labour NEC

By Richard Evans, Lobby Correspondent

NOMINATIONS FOR Labour's National Executive Committee show that the party is heading for a critical power struggle between moderates and the Left-wing that is likely to result in domination of the policy-making body by militants.

The nominations, contained in the agenda for this year's Labour Party conference, published today, indicate that the Left is poised to take decisive control of the executive and end the moderates' shaky balance of power that has been eroded steadily in recent years.

The struggle, which will be decided at the party's Blackpool conference from September 29 to October 3, is taking place against a background of increasingly bitter conflict between the wings of the Labour Movement.

Moderates are becoming alarmed at the insistent efforts of some local constituency militants to get rid of their MPs.

So far, only the cases of Mr. Reg Prentice at Newham North East and Mr. Frank Thomas at Hammersmith North have reached an advanced stage. But over a dozen Labour MPs are in some degree of conflict with sections of their local party.

The most outspoken Minister, apart from Mr. Prentice, has been Mr. James Callaghan, who has followed up his resignation threat to a small group of militants in his Cardiff constituency with a sharp rebuke to the party executive for its attitude towards the Labour Government.

In a letter to the NEC, published in the party's annual report yesterday, he accuses members of "leaping on every handwagon that happens to be conveniently going by."

He says that notions which cast doubt on the good faith and principles of Labour Ministers are likely to create cynicism among Socialists.

Mr. Callaghan, Foreign and Commonwealth Secretary, and a member of the executive, adds that the NEC must sometimes be willing to defend the Govern-

ment and explain facts to the movement at large.

His criticism will not be well received by the Left, who will again try to unseat him as Party Treasurer this year. His rival candidate is Tribune MP Mr. Norman Atkinson.

Two moderates, Mr. John Cartwright of the Co-operative organisations, and Mr. Sidney Vincent of the National Union of Mineworkers, have lost their NEC nominations to two Left-wingers, Mr. Richard Balfe and Mr. Emlyn Williams, the South Wales miners' leader.

In the constituency section, Mr. Denis Healey, Chancellor of the Exchequer, is under strong

More Home News
Pages 28 & 32

threat from Mr. Eric Heffer, the Left-wing MP for Liverpool Walton. His martyr-like stance against the Government's economic policies could strengthen his chance of gaining a seat at Mr. Healey's expense.

Of the 24 nominations for the seven seats in the constituency section, 15 are from members of the Tribune group or from those sympathetic to its aims.

The agenda confirms that the Left-wing is going to be critical of the Government over a wide range of issues.

The overwhelming impression given by the amendments sent in by local parties and trade unions is of a grass-roots demand for a further move to the Left and of deep resentment that the Government has been blown off-course by the economic situation.

There are further calls for a Labour Government to be made more accountable to the party conference, and for the party leader to be elected by conference rather than by the Parliamentary Labour Party.

Some amendments support the Government's proposals for curb-

ing inflation, but more insist that the economic policies are unfair to the working-class and call for more spending on housing and the social services.

There was little reaction in Labour Party circles yesterday to reports that a secret organisation of Trotskyists was operating inside the party.

Officials said that a wide range of political opinion flourished within the party, but it was discovered that a separate group was operating with its own organisation, it would be liable to expulsion under the rules.

Mr. William Rodgers, Minister of State for Defence and a leading party moderate, said on BBC radio that the Labour Party should be much more careful about admitting new members without fully checking their background.

It should also ensure that those who hold office should come from the mainstream of the party, whether Left or Right.

Management will brief MPs' group

Financial Times Reporter

THE BRITISH Institute of Management is to provide regular information to MPs on management topics. A BIM committee will keep in close contact with the newly formed all-party Parliamentary group on management affairs.

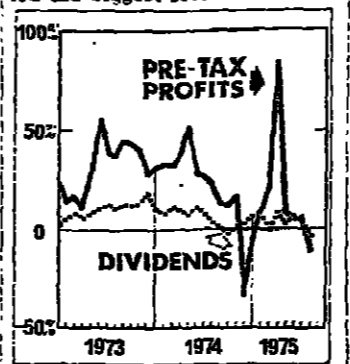
Mr. Eric Moonman, Labour MP for Basildon, and a former member of the BIM staff, is chairman of the new group. The group's first objective will be to interpret the role of management to Parliament and to press for consultation with professional management's representatives as a separate entity from the employers' organisations.

Dividends, profits down in August

By Ron Purdum

OUT OF SEVEN leading industrial companies to issue full reports in August, only one showed a pre-tax profit increase over the same period a year ago. Overall, this resulted in a short-fall in pre-tax profits last month of 11.3 per cent compared with August 1974.

Rothmans International reported the biggest setback with pre-



tax profits down by 41 per cent, while Redland sustained a decline of 21.4 per cent. Coats Patons, Thorn Electrical and Distillers reported shortfalls of between 11.7 per cent and 12.3 per cent, while Cavenham's pre-tax profits were adrift by 8.3 per cent.

This is further evidence that inflation has begun to bite deeply into industrial profitability, although the lower interest rates prevailing over the past few months will help to offset partially the rising overheads.

On the credit side, GEC came through with a 14.9 per cent increase in pre-tax profits.

Dividends also suffered. Overall, shareholders received 3.8 per cent less in dividends than during the same month a year ago. Coats Patons paid only a nominal 0.9p net dividend, down from 1.2p in the previous year's payment. Rothmans held its payment at the same level, but increases of between 5.1 per cent and 8.7 per cent were made by Redland, GEC, Thorn Electrical, Distillers and Cavenham.

Japanese may peg car sales

By Terry Dods, Motor Industry Correspondent

DAISUN AND Toyota, the two main companies behind the rapid Japanese penetration of the British car market, intend to peg their sales next year.

Datsun will keep unit sales in the U.K. at about 60,000 cars, the figure at which it has stood for two years and which it is intending to repeat this year. Toyota will aim for sales of 20,000, slightly below its target of 21,000 this year.

Of the two junior Japanese importers, Mazda is looking next year for only a very marginal increase of 500 cars on its expected sales this year of 8,500, which will be about the same as last year. Honda is aiming for 12,000 cars next year compared with a probable 10,000 this year, but it could probably sell a good few more because its small Civic 1200 model has been doing extremely well this year.

These plans raise the question of whether the Japanese manu-

facturers now see it as politically less aggressive to approach to sales in the U.K. in response to pressure from the British industry and trade unions.

Voluntary

Up to now the Japanese manufacturing companies have firmly denied suggestions that they would be prepared to impose voluntary restrictions on their exports to the U.K. But defectors seem to be doing just this.

A number of factors seem to be behind the developments. There have been signs recently that both Toyota and Datsun are more interested in Middle Eastern, Indonesian and even European markets than in Britain.

Also, after the stringent cut in production last year, they have sometimes not had sufficient pro-

duction to supply some lines to their overseas companies. At the same time, the British franchise operators appear to want to cool down the temperature after the criticism the British industry filed an anti-dumping claim against Japanese cars three months ago.

Both Mazda and Honda openly admit that a period of consolidation rather than expansion would be helpful. "In deference to the British motor industry," as Honda puts it.

Breakthrough

The question now is whether the Japanese companies will hold to or exceed their targets for this year, having done so well in earlier months.

The latest provisional indications for the August figures, which will be collated soon, suggest that imports may have broken through the 40 per cent

sales barrier. Of those, out of total registrations of about 150,000, the Japanese share may be as high as 13 per cent.

This month looks like being another reasonable month for imports, as private, as opposed to "fleet" customers still come in to get the early "P" registrations.

From then on, however, the industry is expecting a bleak spell and companies such as Datsun will presumably be making sharp cuts.

Next year, according to the most recent estimate, the total market is expected to be even lower at 1,050,000 against 1,140,000 this year.

Hence, if the Japanese importers sell as many units as this year, their share will increase slightly to 12.5 per cent.

Society of Motor Manufacturers and Traders believes that total import penetration will remain the same as this year at about 34 per cent.

Spring Budget 'could slice indirect tax by £500m.'

By Kenneth Gooding

THE POSSIBILITY of a "modestly reflationary" Budget next spring, involving cuts in indirect taxation of £500m. to £1bn., is put forward by stockbrokers Phillips and Drew in their latest economic forecasts.

But it would almost certainly be inappropriate to reflate before the spring of 1976, "since such action would presume the success of the wage policy, a presumption foreign holders of sterling probably would not share."

The brokers themselves believe the £6 limit proposals will gain majority acceptance at the TUC conference and the Labour Party Conference in October. Although there may be isolated breaches of the limit during the winter wage-round, they believe the labour force gener-

ally will support the proposals in the face of mounting unemployment. (The Government will find it difficult to avoid £125m. to £15m. unemployed, on a seasonal adjusted basis, in the summer of next year, the brokers state.)

"With the wage policy possibly causing few problems, increasing attention will be focused on the balance of payments. From a forecasting standpoint, it is unfortunate that policy changes now principally depend on this item, since it is extremely difficult to predict."

However, the severe downturn in consumers' real spending, they forecast a fall of 2 per cent on average to mid-1976, would help the balance of payments by depressing the import bill. The gradual upturn in world trade should benefit exports.

Rising prices

"On the other hand, re-stocking at a time of rising commodity prices will have an adverse effect."

The brokers find it hard to see an overall balance of payments surplus, but the external position, they feel, may have shown sufficient improvement compared with 1974 (from £3.8bn. to £1.2bn. at an annual rate) to permit some measure of reflation at the end of the year followed by a pronounced contraction next year.

markets will put the economy in a delicate situation for the rest of the year. One month's bad trade figures could precipitate Government action to tighten monetary policy.

In any case, we expect an announcement regarding cash limits on public spending which will imply a reduction in volume terms below previous projections for 1976-77.

This would set the scene for a slightly reflationary Budget. By inducing some recovery in real consumption from mid-1976, however, this might prevent the balance of payments improving on 1975's out-turn.

Real incomes

The brokers expect total wages and salaries to rise 13 per cent for 1976 as a whole against 14 per cent for wage rates. Retail prices should rise 13 per cent through next year and should still be running at 15 to 16 per cent by mid-year.

Real disposable incomes will fall by 3 per cent over the next 12 months, the brokers forecast. The cost of basic fuel and materials could rise by an average of 8.5 per cent this calendar year, accelerating to 18 per cent in 1976. Wholesale prices can be expected to go up 24 per cent this year and 15 per cent next year.

Manufacturing investment may fall by 10 per cent this year, followed by a pronounced contraction next year.

£3m. oilrig orders for Dorman Long

By Kenneth Gooding, Industrial Correspondent

THE BRITISH STEEL Corporation's subsidiary, Redpath Dorman Long (North Sea), has won two contracts, together worth £3m., for construction of oil platform deck structures.

Phillips Petroleum of Norway seems designed to bring it more into line with continental prices and to head off a threat of imports. The welded pipe is in the £625 to £1,180 range.

"Only recently has welded pipe in this size range been available in commercial quantities, and the introduction of the new price reflects the policy of the tubes division to offer this range of welded pipe as a permanent alternative to large seamless pipe," BSC said yesterday.

Previously, the welded and seamless pipe have cost the same.

The new pipe range is made with the construction of twin gas jackets for Amoco, an order tubes division.

Inflation 'may bar U.K. from trade upturn'

FINANCIAL TIMES REPORTER

A WARNING that Britain will not be in a position to take advantage of the expected upturn in world trade in 1976-77 unless she can reduce her rate of inflation to the world average is contained in Barclays Review, published by Barclays Bank.

Comparing recent economic performance with that of other major industrial countries where the rate of inflation has fallen, the review sees, in Britain's case, two factors working against the usual deflationary effects of recession.

One is wage pressures and the ineffectiveness of the social contract in moderating them. The other is ability to borrow funds overseas to maintain the standard of living.

Inflation is the theme of the review. One article charts the five-year experiences of 18 countries and asks what can be learned from their counter-inflation strategies. Another article examines post-war economic policies and concludes by advocating monetary control combined with measures to decrease wage expectations.

The review also examines instability in the home and international markets stemming from inflation, and says that stability will persist until corporate profits and the distribution of dividends are free to expand untrammelled by Government constraints.

Freer society needed, says Mrs. Thatcher

IT IS FRAGILE that when Britain should be wrestling with the problems of the 1980s, so much of political debate and society should seem stuck in the 1950s, says Mrs. Margaret Thatcher, the Conservative Party Leader, in a declaration of philosophy in the Conservative Monthly News, given warning against allowing the immediate problems of politics to obstruct the Conservatives' search "for the Britain we know we can attain."

Setting out her party's objectives, she gives priority to securing a free society. "Who can say that freedom of speech, freedom from bullying, freedom from envy, freedom of choice, freedom of the market place, do not all seem to be diminishing in our society?"

"We believe that in a free society—in which the State is not forever interfering—we will obtain the greatest efficiency, prosperity, care, and responsibility."

Jetsave link for flights to Canada

By Michael Donne, Aerospace Correspondent

JETSAVE, the U.K. low-fare charter flights organisation, is linking up with Canadian Pacific to run a programme of cheap flights between the U.K. and Canada next year.

Jetsave announced over the weekend a £2.8m. (\$8m.) deal with Canadian Pacific Air for 350 transatlantic flights, starting in April. Fares will start at £99 return.

The flights will be between London, Manchester and Prestwick, and Toronto, Montreal, Calgary, Vancouver and Halifax.

Mr. Reg Pycroft, Jetsave's managing director, said that the number of people visiting Canada was rising at more than 10 per cent a year, with the Advanced Booking Charter concept playing a big part in this growth.

Since the start of ABC fares in 1973, Jetsave has carried more than 100,000 passengers between the U.K. and Canada. This year it is lifting 100,000 people alone between the U.K. and Canada, the U.S., Caribbean and Africa.

British Midland Airways has won three tenders worth more than £1.5m. for its leasing service which provides aircraft and crews to airlines needing instant capacity.

The new contracts bring the total value of orders announced since April 1 to more than £5m. The deals are with Malaysian Airlines Systems, Cyprus Airways and Air Algiers.

Dowty chief given rise of £15,000

By Stewart Fleming

THE SALARY of Sir George Dowty, the 74-year-old chairman of the Glasgow-based engineers Dowty Group, was increased last year from £20,250 to £35,250. It is reported in the company's accounts for the year ending in March.

The company said yesterday of the rise—which is about 7 per cent—that the decision was based on the chairman's salary being "unusually low. It must be 15 or 20 years since he last had an increase so his salary is catching up with inflation."

Dowty, whose sales last year rose to £58m. on which it earned a pre-tax profit of £3.8m., is an important supplier of hydraulic pit-props to the National Board and also supplies the oil industry with hydraulic equipment.

BR Hollyhead expansion starts soon

MODERNISATION at Hollyhead, the British Rail Sealink port in Dublin, announced in April, begins this month. It is due to be ready in time for a 9,000-ton passenger-vehicle ferry ordered by Sealink, to start in spring 1977.

The proposed terminal, costing £1.8m., is part of a comprehensive redevelopment scheme to improve passenger and vehicle facilities. It includes a new passenger terminal, a reception area, a car terminal, a lounge, bar, toilets and public telephones, and a freight clearance terminal with overn accommodation, self-catering, arrangements, television and showers. The inner hall will be dredged.

The passenger terminal will be built on the site of the old building, which will be demolished. No. 1 Platform, which it stands, will be wide

COURTAULDS' PLANT REOPEN

The biggest weaving shed in Western Europe—Courtauld's plant at Skelmersdale New Lancashire—re-opens today after a two-week closure because of a trade recession.

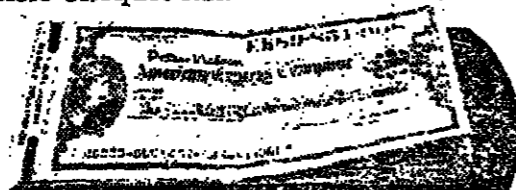
The £11m. building, produced by the architect, has written to the workers that cost-saving measures must be pursued urgently.

COMMODITIES INDI The Financial Times published daily, except on public holidays. £500.00 (incl. postage) per annum. Single copies 50p. (incl. postage) per copy.

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By Alec Beilby
aboard
HMS Londonderry
off Sheerness.
Pictures by
Glyn Gemin
and
Freddie Mansfield.

Tense start as guns thrill Thames crowd

AMID A SOUND of gunfire which made one wonder whether the ghost of the Dutch admiral de Ruyter had re-entered the Thames, the Financial Times Clipper Race, from London to Sydney and back, started yesterday morning from a line off Sheerness.

While, indeed, the Dutch yacht Great Escape eventually led the way into the open sea surrounded by thousands of spectators aboard a variety of craft, there was a moment of confusion after a long succession of explosions which delighted the spectators, worried the contestants and ennobled Chief Gunner Instructor Nobby Styles, aboard the starting ship, the frigate Londonderry, to show his prowess to the full.

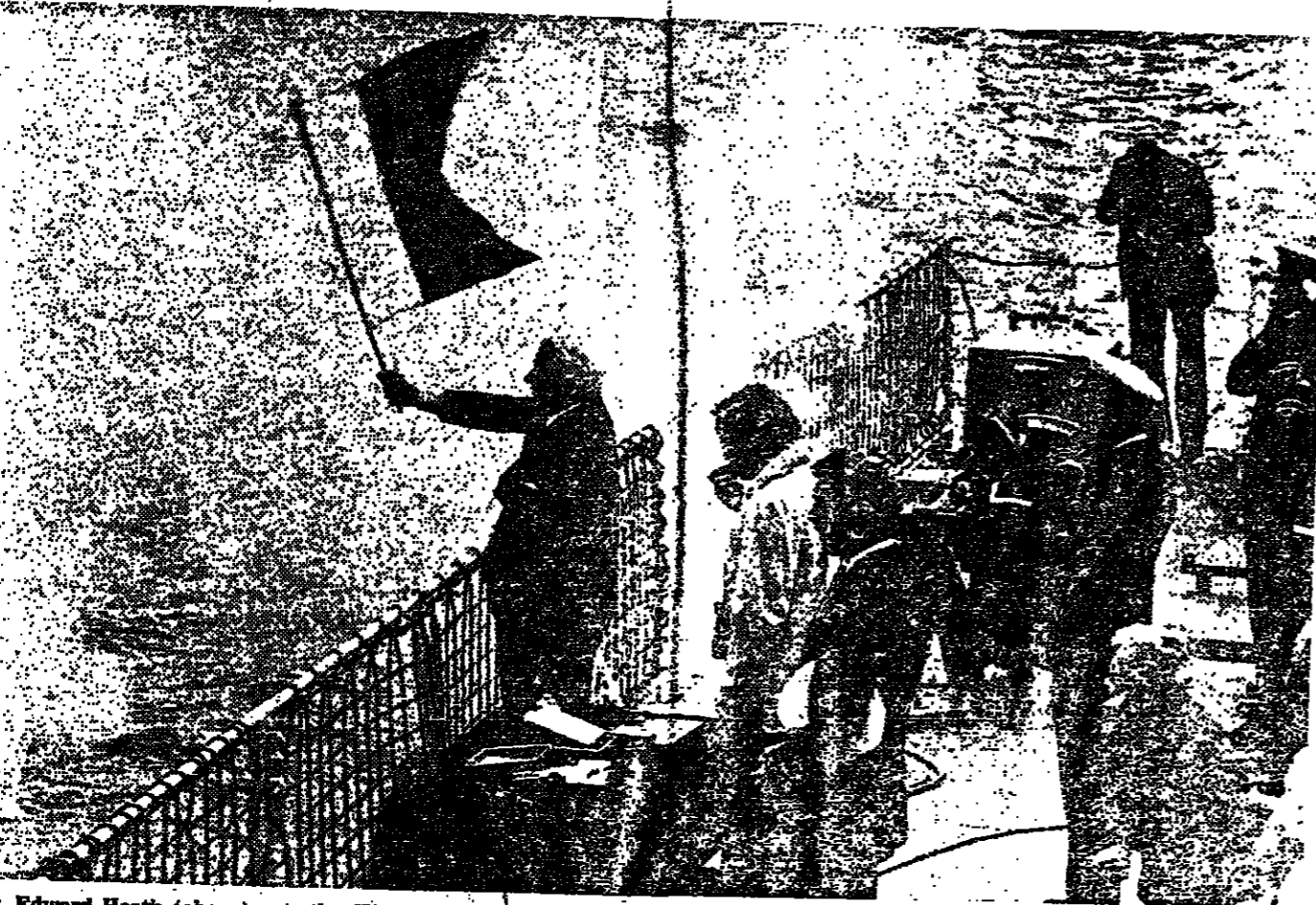
The French yacht Kritter II, whose crew had been struggling all week to be ready in time, but were late to the starting line—had been asked by a sympathetic chairman of the race committee, John Roome, whether they would like a ten-minute postponement.

At that moment, they were, in fact, alongside Londonderry and surrounded by friends asking for leave the Queen's buoy, off North Foreland, to starboard, Cape Horn, to port and thence to Sydney, a distance of 13,650 miles. Once away, 20 minutes after the intended time, none of the intensities of the moment had been lost. Both the Italians and the crew of Great Britain II had to crawl back to the line having almost been swept over too soon by the strengthening, east-going ebb tide. While the Dutch aboard Great Escape had timed it perfectly, the French were still apparently confused and lagged behind in the initial stages.

Hundreds of small craft saw them leave accompanied by Thames barges, French training ships, Dutch naval yachts and the host of other vessels.

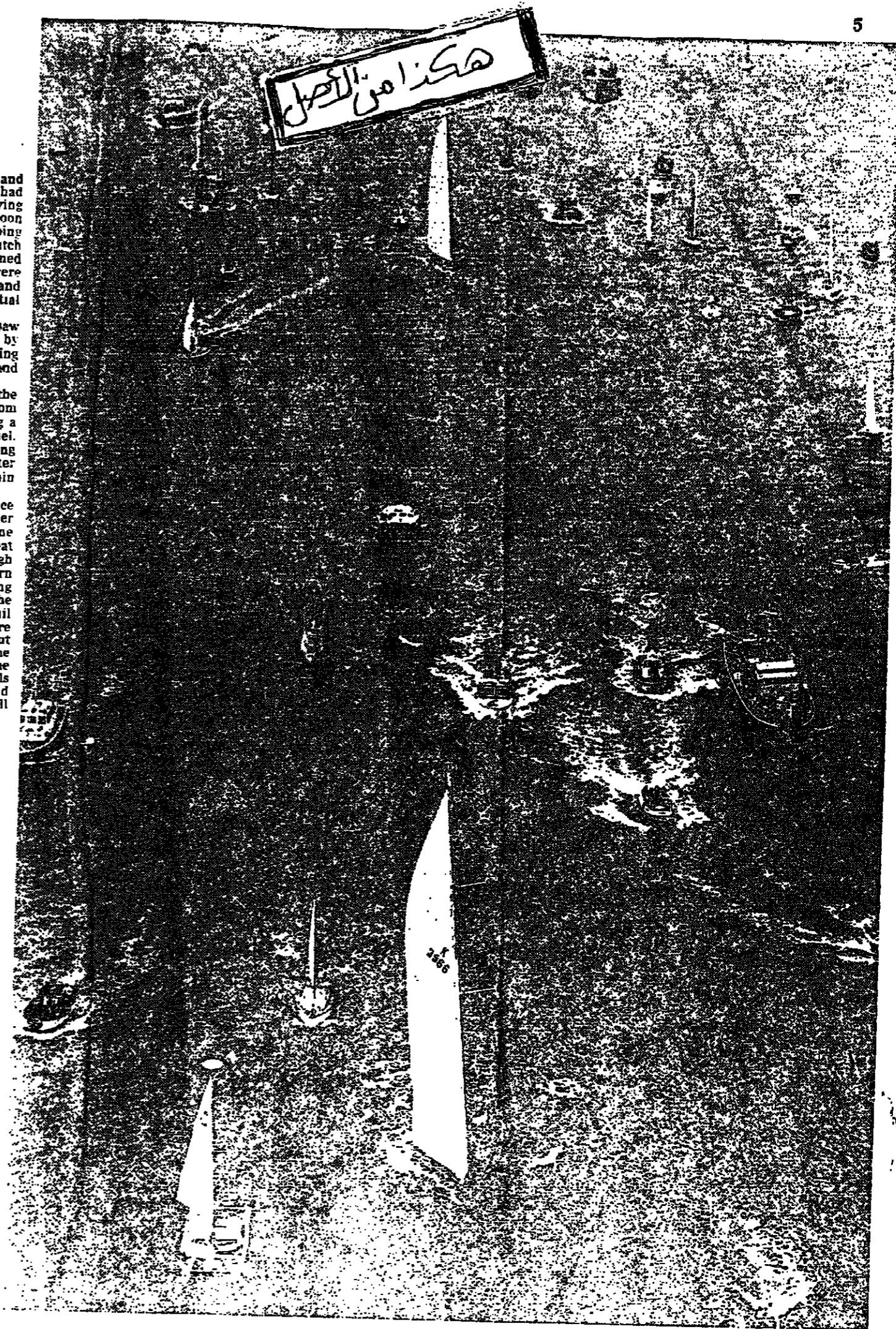
As the sun broke through the mist, the winds shifted from North-east to North, promising a fast fetch down the Channel. Great Britain II, having recovered her poise, led Kritter by quarter to half a mile within an hour of crossing the line.

With the patriotism of France behind her, the crew of Kritter can afford to give a little time to the lighter weighted Great Britain II on the voyage through the tropics to the southern ocean where, in the Roaring Forties weight will pay. For the next two days, the crew will sail down the Channel as if they are on a local offshore race but once into the Atlantic the accumulated overhang of the past week of work and farewells will be replaced by a more staid routine. Then the battle will really begin.



Mr. Edward Heath (above) gets the Clipper Race under way from Sheerness, apparently oblivious to the sound of the starting gun which has the crew of Londonderry with their hands over their ears.

An hour after the start, Great Britain II (right) begins to pull away from Kritter II, the French entry.



LABOUR NEWS

Jones expects call for £9.50 pension rise

BY JOHN WYLES IN BLACKPOOL

A CONFIDENT prediction that the TUC's annual Congress this week will call on the Government to allow pensioners to exceed the £8 pay limit so that they can receive extra pension rises of at least £9.50 a week was made here at the week-end by Mr. Jack Jones, general secretary of the Transport and General Workers' Union.

TUC members up by 341,000 and more women join

BY ROY ROGERS, LABOUR CORRESPONDENT, IN BLACKPOOL

CONTINUED GROWTH of trade unionism, much of it among women, has helped to boost the TUC's membership figures by more than 340,000 over the last year, taking the total to over 1.3m.

Almost half the new members are women—60,000 of them in public services—with other gains in the TUC's transport, engineering, scientific and technical, and glass and ceramics unions.

These sections were also 10,363,724, and this could easily be responsible for most of the rise in the male membership, with last two main registration

GLC staff accuses NALGO

BY OUR LABOUR STAFF

E 20,000-MEMBER Greater London Council Staff Association (GLC Staff Association) has protested that "extremists" in the GLC belonging to a big rival union are trying to undermine the association.

Mr. Fred Hollocks, secretary of the staff association, accuses National and Local Government Officers' Association of acting the TUC "Bridling" anti-poaching rules.

He has written to Mr. Grey Drain, general secretary

Mr. Jones, who has been the leading trade union advocate of higher pensions, will be moving a T and G W U motion on Tuesday which says that married couples' pensions should be fixed at half of average male earnings and single persons' at one-third.

After pension rises due later this year and on the basis of the current average earnings figure of £56 a week, this would mean that the government would have to pay rises of up to £9.50 a week to fix the married couples' pension at £28. Mr. Jones believes that rises above the £8 limit for pensioners ought to be an acceptable means of refuting the economy at this time.

The Congress agenda also includes calls for a £30 a week

married couples' pension and other demands to bring down to 60 the age at which pensions are paid to men so as to give them equality with women.

To loud cheers from pensioners who had travelled from as far as London and Teesside on Saturday, Mr. Jones said: "I think that a little bit more than the £8 a week limit can be justified for pensioners." It was not unreasonable and was essentially social justice that earnings-linked pensions should be achieved by next spring, said Mr. Jones.

In the face of the great economic problems facing the country, it was essential that those least able to bear the burden should be protected, he added.

"rebels"—the National Union of Bank Employees and the National Graphical Association—succeeded in their resolution efforts.

The NUBE, which has sent observers to the TUC's annual congress opening here today, is expected to return to the TUC fold provided that it can stagger the paying of about 235,000 back affiliation fees due for the time it has been outside the TUC.

The NGA, however, is trying to prune the TUC's demands for a roughly similar amount of back dues and this could still prevent the print union from rejoining.

Mr. Len Murray, TUC General Secretary, made it quite clear yesterday that he wanted to see the NGA back in the TUC and emphasised that the terms being demanded of the union, including payment of back affiliation fees, were the standard conditions for rejoining.

"I do hope the NGA is going to take a positive decision soon and come back into its rightful place in the TUC... but they must make that decision for themselves," Mr. Murray said.

The NGA executive is due to consider the situation this month.

Warning on spending cuts

TEACHERS' LEADERS have given a warning that they will fight threatened cuts in education expenditure, even if it means strike action "in some cases".

The executive of the National Union of Teachers passed a resolution at the week-end declaration that it would continue to resist compulsory transfer of teachers, the non-filling of vacancies, and any deterioration in staffing standards.

It expressed concern at a statement by Mr. Fred Mulley, Education Secretary, that local education authorities would have to face a time of restraint.

Teachers fear that with cuts in local authority expenditure, education could suffer by about £100m. in the next year. Resistance to the cuts could lead to strike action by the teachers, the union said.

Strict guidance on the step-by-step procedure of protest was issued to teachers. "At the end of the road, if an authority is completely obdurate, we don't rule out strike action."

The executive is to seek support from local education authorities and ask the Minister to do all he can to resist cuts in education expenditure.

OBITUARY

Mr. E. Marsden

MR. EDDIE MARSDEN, general secretary of the constructional engineering section of the Amalgamated Union of Engineering Workers, died over the week-end following a prolonged illness.

Mr. Marsden, who was a life-long member of the Communist Party and a member of the party executive in recent years, was 62.

Anti-smoking quiz for Rothmans

Financial Times Reporter

ACTION ON SMOKING and Health, the anti-smoking campaign group, has given Rothmans International, the tobacco group, advance notice that it intends to ask five questions at the company's annual meeting on Thursday.

ASH, which holds a single share in all the main tobacco companies, will ask Rothmans what steps it is taking to ensure that consumers and potential consumers are protected against the health hazards of smoking.

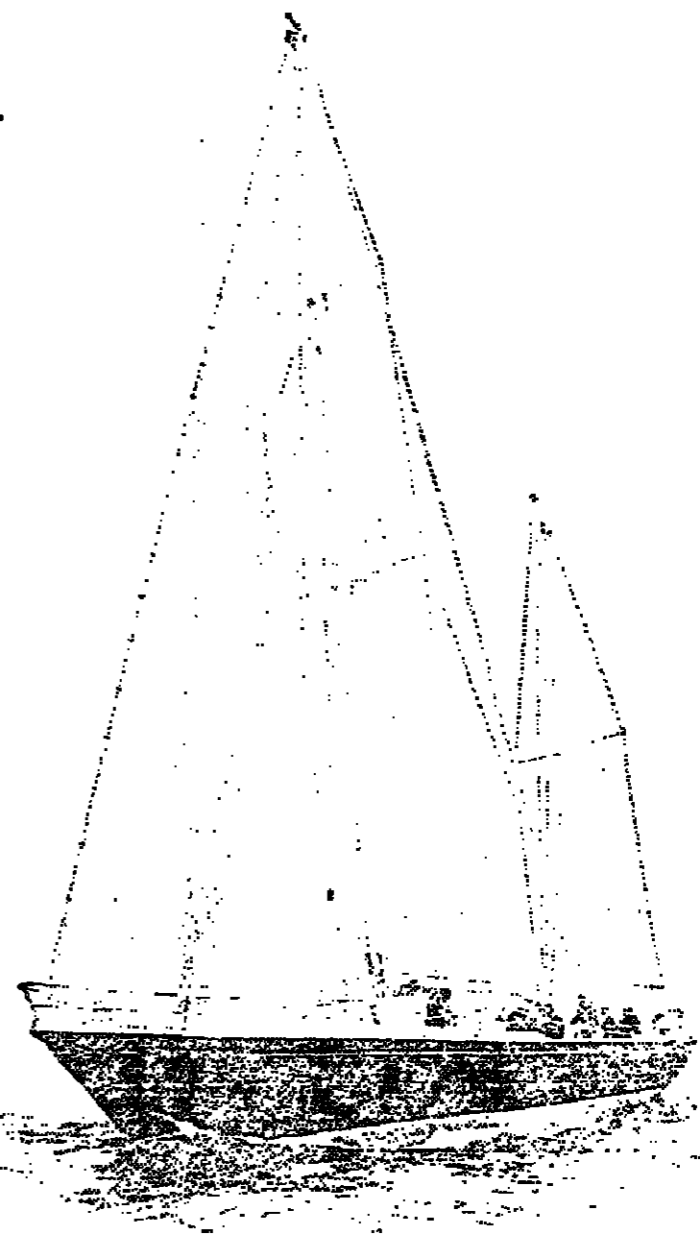
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The Executive's World: The Office

EDITED BY JAMES ENSOR

More pictures mean less paper

BY ROY LEVINE

IN THE steady development of the "paperless" office, the use of Visual Display Units (vdu) is being adopted for more applications. Although the technology is not new, its use is spreading quickly.

In the life assurance world, vdu's are being used by Cannon Assurance to give a quicker response to clients' inquiries and the equipment will soon be used for underwriting as well.

Mr. Michael Ferrand, manager of management services, reckons vdu's are the best way to handle a high volume of low-level inquiries. The company operates 11 units at £75 per month each and is installing another four in the near future at its head office in Wembley, London.

Each unit can handle up to 500 calls a day, although the level of queries at the moment is about 1,500 a week, spread over the 150,000 accounts at Cannon, all computerised.

When a policyholder telephones for information, the client service administrator dials the account number on the keyboard.

Instantly an image of the policy appears on the screen giving all relevant and up-to-date information. If the screen is dimmed, the administrator can see instantly and for her own use such information as whether the policy is still in force, the amount of the monthly premium, whether there are any underwriting restrictions and so on.

By requiring further scrutiny. And there is no need to have a vast administration to process the first four—they can be done instantly.

Once cables have been implanted in Cannon's 20 U.K. offices salesmen can get instant information about prices, products and get quick clearance of the client.

This process will become particularly useful for the underwriting of policies for "affinity" groups like the AA which the company is marketing. But there is no reason why the principle should not apply to other types of policies like accident, health as well as equity linked.

To supplement vdu's, Cannon also operates microfilm systems so that the operator has immediate access through the microfilm reader of client records and prospective clients.

Salesmen could have vdu's in each branch office and could connect portable machines onto the telephone network.



Mr. Richard Ellis (right), managing director of Cannon Assurance, examining details of a client's policy on a visual display unit with Mr. Michael Ferrand, manager of management services.

Obviously certain information in the computer data banks would not be fed to salesmen and could be safeguarded by having separate programmes. Security codes for access would also need to be used.

For the near future, Cannon Assurance is developing a programme to use vdu's for underwriting. About four out of every five policies written follow a norm and can be verified immediately—the fifth requires further scrutiny. And there is no need to have a vast administration to process the first four—they can be done instantly.

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Supporting the vdu's is a complete data bank of 150,000 files on Cannon's clients on an IBM 370. The success of the venture rests largely with the managing director's complete involvement in it. Mr. Richard Ellis, a DP expert, believes that staff should not be mystified by computers but should involve computers in their daily lives.

This he has encouraged throughout the organisation. At management level he has formed a Data Processing Priorities Committee of divisional heads to co-ordinate claims on computer time and test the cost justification for demands for more equipment.

DP costs accounts for about a tenth of total operating costs and the DP budget for this year is just over £300,000. Yet it allows the company to save about 300 employees.

The efficacy of the system was tested last December when Cannon acquired Life and Equity Assurance from Jessel Securities and brought some 20,000 new policies into the company. That process took three weeks and the company reckons it is saving over £150,000 net a year in operating costs.

The extra data was absorbed within existing DP capacity and only a handful of new staff were needed. Previously, Life and Equity used computer bureaux.

Equity used computer bureaux.

MANY OFFICES are with- out "rest rooms." Indeed, with the country supposedly not working as hard as it ought, it would be downright sacrilege in some quarters to suggest the necessity of such a room. Where rest rooms have existed—particularly in the larger office blocks—they have generally tended to be of a modest sufficiency rather than unashamed opulence. Some, of course, have been strictly utilitarian.

But traditional attitudes to rest rooms have been changing over the years and, to-day, some rooms are very lavish indeed. They are setting a relatively new trend in rest room thinking and design that is regarded by some as far too permissive.

At a time when the Government (and others) are calling for economic restraint and a wage freeze, some companies, while pulling their belts in on salaries, are letting them out again with rest rooms and pricey decor.

But, the trouble is, these avant garde offices may have gone too far—from the less than sublime to the more than ridiculous. According to the American psychologist, Professor Herzberg—who is noted, among other things, for his theories on work-motivation, "mental hygiene," and human relationships—luxury installations such as rest rooms are not primary contributors to the motivation or incentive to work, either harder or at all. But, whether rest rooms and other environmental essentials actually motivate people or not, they do demonstrate the lengths to which many management are going these days to attract and keep workers, in the belief that production cannot be sustained without the best possible working conditions. It is a matter of morale boosting, esprit de corps and company cohesion through the use of decor and environment.

In the view of the management consultants, H. B. Maynard, "It is true that we seem to be moving away from the essentials of the production system." A recently published book on production, by McGraw Hill, refers to the example of a brewery rest-room complex in Sweden which consists of a series of separate rooms, each with armchairs, telephone,

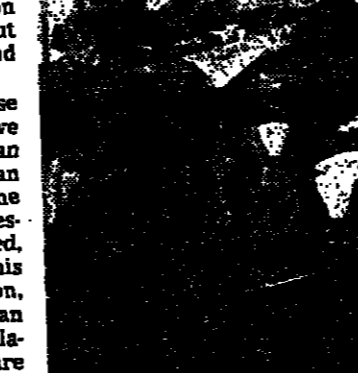
music/radio installations and hot and cold drink-vending machines. These rest rooms, throwing it around in a rakish southern fashion. The UKPA recently redecorated their "temporary" branch office in Wolverhampton's Darlington Street by imaginatively converting some waste space at the end of a corridor which, in many similar offices, would have remained a space at the end of a corridor. And the result was a luxurious little oasis of civilisation for the purposes of rest. Complete with cosy armchairs, a housewife's dream kitchen partitioned off, plush carpet, bright decor and loads of magazines to read, it is the

One of the latest rest rooms to emerge in new office develop-

ment in London is at Whitehall Securities, Ltd., whose offices are on the 16th and 17th floors of Millbank Tower, on the Thames embankment. These were redecorated last year in order to provide a more acceptable standard of interior decor and environment for staff whose conditions—unchanged since the Tower was built in 1963—were reckoned to be behind the times. The old decor was plain and did not incorporate many of the modern ideas or principles on office environment. It was typical of its time, when employee welfare and work-motivation was less advanced than it is to-day, the economy was stronger and the cost of living much lower. Certainly, a ladies' rest room resembling a room in a luxury hotel, as plush as a director's suite, would not have been on the cards in the old days.

But it's not only the large concerns who are spending lavishly on rest rooms. If you travel around the smaller offices in Britain to-day, you will find that similar rest room developments are underway in establishments lower down the financial league.

Take a small branch office of the U.K. Provident Association in down-town Wolverhampton. People in that part of the world



A "coffee corner" at Volvo's new Kalmar factory, Sweden.

kind of place that any secretary, clerk or executive can be proud to be caught napping in.

Arguments as to whether rest rooms are strictly or at all necessary still prevail, especially in Britain. The case for the rest room is either that it is ethically right to have one, or that worker cohesion, satisfaction and involvement cannot be achieved without it. For those who think that too great an emphasis has been put on the design and provision of such facilities—who believe that there is such virtue in hard work that satisfaction and incentive come from that alone—I finish this article with some food for thought from Sweden again, on just how far it is possible to go in rethinking company rest rooms.

At the new Kalmar factory of Volvo, the motor-manufacturer, a great deal of attention has been paid to rest-room amenities for blue collar employees. There are 25 teams of production workers on the shopfloor and each team has its own rest-room area on site—alongside its workplace—which includes "coffee corners", showers, saunas, toilets and wardrobes.

Each coffee corner has a heater, cabinet, refrigerator, coffee-making machine and fitted carpet.

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Diabetic dangers

BY DR. DAVID CARRICK

JUBILEES are usually events to mark the 50th anniversary of some jolly or remarkable event. To celebrate jacking oneself with a needle twice daily for 50 years appears, at the least, to be a bizarre reason for rejoicing.

Yet a 56-year-old woman has recently done just that and is happy that her continuing ordeal has kept her alive. For the drug she has been injecting twice daily (making a total of around 36,500 jabs since 1925) is insulin which has main-

tained her since she was a child sufferer of diabetes at six. Had she developed diabetes mellitus (which, broadly translated, means "to run through sweetly") a year or two earlier, she would probably be nothing more than a bemused inscription on a forgotten grave.

Only four years had passed since an obscure Canadian doctor called Banting and his medical student assistant called Best had worked to isolate insulin.

Before discussing the disease that afflicts over half a million people in Britain, it is necessary to provide some idea as to normal bodily function.

Carbohydrates are essential to life and form about 70 per cent of the normal diet. After passing through the small bowel they are broken down into simple sugars and taken into the portal blood-stream to the body's great store and manufactory, the liver. In that organ, and also in muscles, much of the glucose is stored as glycogen or converted into fat. The rest is used immediately for the sustenance of tissues and brain cells where it is as vital as oxygen.

The major role in converting the glucose to glycogen and fat, and vice-versa when demand arises, is played by insulin which is secreted by certain cells in the pancreas called the "Islets of Langerhans."

In the classical type, of young man a favour as diabetes mellitus, which usually appears in childhood or early adult life, these islets, for be present to take him on reasons not well understood, patient and treat his diabetes fail to produce insulin in sufficient quantities to carry out proper metabolism of carbo-

somebody some good.

Further complications, as diabetes and treatments, be discussed later, but to underline the acetone angle, I can forebear to mention the curi- case of the club bore and this water. The former, a grumbler, took exception to the glucose to glycogen and fat, pale youth because he was all inefficient but, above all, and vice-versa when demand arises, is played by insulin which is secreted by certain cells in the pancreas called the "Islets of Langerhans."

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BE IN THE FINANCIAL TIMES OFFICE EQUIPMENT SURVEY

OCTOBER 1st 1975

to coincide with

BEE 75

Business Efficiency Exhibition 1975
Olympia, London. 1-3 October

The Financial Times plans to publish a survey on Office Equipment in its issue of Wednesday 1st October, 1975. The following is an outline of the proposed editorial content.

The office equipment market in the U.K. passed the £1 billion mark this year. Its impact on the trade balance is considerable. The Business Efficiency Exhibition, organised by the Business Equipment Trade Association, has become the showroom for both U.K. and foreign manufacturers. In the current economic downturn, the volume growth in many sectors has been disappointing despite many optimistic forecasts in 1974. There is still a

general reluctance by management to recognise the importance of the office budget, despite the clear trend in the labour force towards white collar work. Yet there is a world-wide trend towards automation in the office in which Britain is lagging behind. This could culminate in the paperless office before the turn of the century, making many machines and processes obsolescent.

Articles will include subjects ranging from filing systems to facsimile transmission.

We would point out that the contents and date of the Survey are subject to complete editorial discretion.

Ring the Financial Times 01-248 8000 ex. 7048 for further details



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OVERSEAS NEWS

Portugal army tense over Goncalves

BY JANE BERGEROL

LISBON, August 31.

TENSION in key military units around the country has in no way been lifted by the removal last Friday night of General Vasco Goncalves as Prime Minister. In fact, his appointment as chief of staff of the Armed Forces has exacerbated anti-Communist feeling among a majority of army units, and sources close to the Group of Nine dissenting armed forces movement leaders, captured by the former Foreign Minister, Major Melo Antunes, said today they expected more decisive developments in the next 24 hours in order further to satisfy the moderates' demands.

Although the Socialist Party leader, Dr. Mario Soares, has already been received by President Costa Gomes, and the Popular Democrats are to see him tomorrow, following the departure of General Vasco Goncalves from the premiership, it is still too early to say whether moderate Armed Forces officers are succeeding in reversing the supremacy of the Communists and extreme Left.

For one thing, the new Prime Minister, Admiral Pinheiro Azevedo, has yet to make any public statement on his intentions about forming a new sixth Provisional Government or modifying his inherited fifth Cabinet.

The nine dissenting officers, however, are once again piling

pressure on the President, who has published a new document disapproving nomination of Goncalves as Armed Forces Chief of Staff and claiming the Council of the Revolution meeting which approved the changes was illegal since they did not take place.

In their new document, they claim they have 80 per cent. of the armed forces behind them and the "massive majority" of the people.

But the Council of the Revolution is to be changed on Friday, by a new Armed Forces General Assembly, and at such assemblies it is usually a determined group of Communists and extreme left who have in the past swayed the voting.

Moderates and several branches of the army, including the infantry and cavalry, have recently put forward proposals for the reform of the General Assembly through a return to voting its members.

Meanwhile in Lisbon today, a tussle broke out between the ousted old Communist leadership of the clerical workers' union and the newly-elected Socialist and extreme left union leaders.

The old leaders refused to leave union headquarters until they were forced out by military police who helped install the new leadership, to a cheering Communist crowd.

New York worries President

By Jay Palmer

NEW YORK, August 31.

NEW YORK City's slide towards financial disaster has at last got through to the Government.

After months of official unconcern over the impact of a City debt default, senior White House economic aides are finally admitting its serious national implications.

Hinting that President Ford has a far greater involvement in the city's fiscal crisis, Mr. William Simon, Treasury Secretary, and Mr. William Seidman, the President's special assistant for economic affairs, acknowledged over the weekend that any City default could critically damage the ability to borrow of other towns and cities. This could complicate this country's economic recovery.

The near-dramatic change of heart by the Administration came after fresh waves of pessimism on Friday. Referring to the City's unsuccessful attempts to arrange emergency financing in the wake of the banks' refusal to buy any more City debt, Mr. Felix Rohatyn, the financial director of the Municipal Assistance Corporation, said: "Default is a good possibility."

The bankers' decision not to buy more City or MAC bonds until fiscal reforms were initiated left officials trying to arrange temporary short-term financing for the next few weeks. Most of the different schemes based on advance payment of property taxes and sales of mortgages to the Federal Government remain not only insufficient but also uncompleted.

Political parties ban in Dacca emergency

BY DUAD KHAN MAJIDS

DACCAs, August 31.

THE BANGLADESH Government has banned all political activities in the country. President Khondker Mustaq Ahmad yesterday ordered a prohibition of the formation of any political party.

The order provides that no person shall form or organise, set up or convene, or be a member of or otherwise take part in the activities of, or in any way be associated with any political party.

All political parties except the Bangladesh Awami League were banned by Sheikh Mujib's Government when he introduced one party rule in the country last January. Under the new ordinance even the League will be banned.

The order provides penalties of up to seven years' imprisonment for contravention of any of its provisions.

As the new Government's total war on corruption continues and former politicians, businessmen and civil servants are taken into custody on charges of corruption and amassing wealth illegally, more and more political prisoners are being released from country jails every day.

A. K. Sharma reports from New Delhi: India has strongly protested against the ban on political parties by Pakistani missions abroad that India might launch a "diversionary move" against Pakistan to draw attention to the state of internal emergency. Official sources say a similar campaign against India is being carried on in the Pakistani Press following the recent developments in Bangladesh. Sources say that the campaign had gone to the extent of suggesting that India might attack Bangladesh.

New fund for non-aligned

BY HUGH O'SHAUGHNESSY

LIMA, August 31.

THE CONFERENCE of the Foreign Ministers of 81 non-aligned countries closed yesterday with the approval of a series of ambitious economic resolutions and threats of further concerted action to achieve Israeli expulsion from the U.N. if Palestinian rights were not respected.

Main tangible result of the week's conference is the agreement to set up a multi-billion dollar solidarity fund for the economic and social development of the non-aligned countries which should be in operation before the summit meeting of the movement next August in Colombo. The countries finally agreed on a standard initial contribution of 500,000 SDRs from each member. The fund will be the fund which the majority of members are likely to join, a basic capital of around 40m SDRs which would be augmented by voluntary contributions from the richer states up to some

50m. The fund would be sited in Kuwait which has reportedly agreed to make an initial contribution of 300m. dinars.

More ambitious, but infinitely more difficult, is the agreement to support the prices of the non-aligned countries' raw materials. An expert committee is to meet in Geneva before the end of September to draw up statutes for the fund to finance buffer stocks. The fund would seek to provide compensatory finance for countries hit by falling raw material prices.

It is not yet clear which commodities will be covered by the fund and where the finance would come from for its support. Estimates of the amount of capital needed to run it vary from \$30m. to \$500m. The conference resolved to set up an information centre in Havana on the activities of transnational companies and to seek co-operation within the movement on scientific and technological subjects.

BOUGAINVILLE'S SECESSION

A symbolic gesture

BY JAMES BUXTON

THERE IS a good chance that nothing very significant will be happening on the South Pacific island of Bougainville today. There may be some civil disobedience, and a few government officials may be taken over. There could be something a little more spectacular. But it is just as likely that September 1 will pass off as another day of tropical heat by the shores of the Coral Sea.

Yet September 1 is not just another day. It is the date selected a few weeks ago for Bougainville, famous mainly for its rich copper mine, to break away from Papua-New Guinea (PNG), the dependency of which it is a member. Bougainville will indeed break away today. But for the moment, at least, it will be in much the same situation after UDI as it was before.

This is partly because the two countries most affronted by UDI, namely Australia, which until September 16 has responsibility for PNG, and the PNG Government itself, are determined to take as little notice of the events in Bougainville as they can. The secessionists may, the authorities admit, take over the office of the District Commissioner in Bougainville. But they say, that doesn't really matter. As for the Bougainvilleans, they do not seem to be taking it very seriously either. For the present they are apparently content with a symbolic gesture.

Yet for all the appearance of being an amusing if rather slow-moving farce, the situation is really being taken very seriously both in Port Moresby, the capital of Papua New Guinea, and in Canberra, the capital of Australia. If secession were to be successful it would remove from PNG its biggest source of revenue—the tax paid by Bougainville Copper, which is controlled by RTZ through its subsidiary Conzinc Riofinto Australia. Last year this revenue amounted to \$58m. Without it PNG would be almost

totally dependent on the Australian taxpayers, who in 1973 provided them with \$87m.

At the same time a successful Bougainvillean UDI might inspire other parts of the new PNG to secede—there are already some signs of them wanting to do so. The heart of PNG is the eastern half of the island of New Guinea (the western half is Indonesian) but it also comprises several island chains to the north and east. It is extremely diverse and has several hundred separate tribes. The majority of the people on Bougainville are not Bougainvillean, and are loyal to Port Moresby, whence troops could be brought in.

But if the struggle got that far, there might well be bloodshed which the Australian and PNG authorities are anxious to avoid. They hope at least that nothing untoward will happen between now and September 16, and in the past few months have gone out of their way to make the Bougainvilleans feel, so far as possible, that they are better off in PNG. Bougainville now has its own Interim Provincial Government; it now gets the royalties from the copper mine (but not the tax); and the amount of money devoted to development is far above the average for the rest of PNG.

From the Bougainvilleans' point of view the most frustrating aspect of the struggle is that Bougainville Copper will continue to pay its contractual revenues into the Port Moresby treasury, and there is nothing to back suggestions that RTZ favours secession to avoid tax.

The Bougainvilleans, almost all of whom appear to favour secession, regard PNG's independence as the ideal moment to start out on their own, but they may not have the muscle to prove it. They are firmly within Australia's sphere of influence.

and Australia is determined that they should stay in the federation. A petition they took to the U.N. earlier this month got nowhere.

So long as the Bougainvilleans remain peaceful they can be little more than a nuisance. But if they step up their protests and cut off communications, or interfere with the workings of the copper mine or the outflow of copper, they are almost certain to bring down the wrath of the PNG police and, possibly, armed forces. The majority of the police on Bougainville are not Bougainvillean, and are loyal to Port Moresby, whence troops could be brought in.

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OECD predicts sluggish revival in Denmark

BY ROBERT MAUTHNER

PARIS, August 31.

A SLOW revival of economic activity, coupled with a comparatively good price performance and a continuing high rate of unemployment, are likely to be the main features of the Danish economy in the coming months, according to the latest forecasts of the OECD Secretariat.

The recession in Denmark has now slowed down and an upturn can be expected by the end of the year, thanks to an expansionary shift in fiscal policy and the probable recovery in world trade. But given the high level of stocks, the response of production to a revival of demand may be sluggish, the Secretariat states in a report on the Danish economy due to be published tomorrow.

As a result, the OECD is predicting no more than zero growth for Denmark for 1975, and its forecasts for employment are frankly pessimistic. The selective stimulatory

measures which have already been taken will probably produce a temporary improvement, but failing a stronger upturn in residential investment or exports, then foreseen at present, unemployment is almost certain to increase again towards the end of the year and remain around the 10 per cent. mark.

On the price front, things look much better. After a 15 per cent. rise in 1974, inflation slowed down to an annual rate of no more than 5.5 per cent. in the first half of this year, substantially less than the average for other European member countries.

News takeover

IN ADDITION to the complete takeover of the influential New Nigerian newspaper, the Federal Military Government yesterday announced its decision to acquire compulsorily a majority 60 per cent. stake in the main publication Times Group of newspapers.

U.S. 'tapping telex traffic'

By Adrian Dicks

WASHINGTON, August 31.

THE continuing saga of misdeeds by the U.S. intelligence community took an intriguing new turn this week-end with the revelation by the New York Times that the National Security Agency has for years been intercepting virtually all telegraphic, telex and other cable traffic in and out of the U.S.

According to sources familiar with the NSA's activities, and quoted by the New York Times, the agency has been able to eavesdrop on newspaper and news agency traffic and on much of the private communications of foreign governments and companies, as well as those of private citizens.

FNLA nearer to Luanda

LUANDA, August 31.

THE PORTUGUESE High Commission here today reported that forces of the National Front for the Liberation of Angola (FNLA) had advanced towards Luanda, which is firmly controlled by the rival Popular Movement for the Liberation of Angola (MPLA).

A military communication published today said there had been troop movements in the area

between Quifandango, about 14 miles north of Luanda, and Caxito, another 25 miles further to the north.

Informed sources said there had been clashes in the past few days roughly halfway between Luanda and Caxito, where the FNLA retreated following bitter fighting in the Angolan capital last month. The talks are due to start on Tuesday.

Portugal 'must ask for help' in Timor

JAKARTA, August 31.

INDONESIA wants other countries, especially its neighbours, to know that it has no intention of intervening in Portuguese Timor unless asked to do so by Portugal. Indonesian sources said today. They said President Suharto would explain this in Singapore Prime Minister Lee Kuan Yew when the two leaders meet in informal talks on the tourist island of Bali. The talks are due to start on Tuesday.

A Portuguese special envoy, Dr. Antonio Almeida Santos, left here for Australia last night after talks with Indonesian officials about possible Indonesian intervention to end the fighting in Portuguese Timor between the Leftist Revolutionary Front for an Independent East Timor (Fretilin) and the Timor Democratic Union (UDT).

Foreign Ministry officials dismissed suggestions that Dr. Santos had snubbed Indonesia's offer to intervene. "The talks are not finished and will resume when he returns here in the next few days," they said. Indonesian officials said the principal stumbling block in the talks so far was that Jakarta wanted to land an Indonesian task force immediately, to be followed by a multinational joint peace-keeping authority, while Portugal wanted both the authority and the task force to be multinational.

COMPANY NOTICES

SOCIÉTÉ CIVILE des PROPRIÉTAIRES D'OBÉLATIONS
101, rue de la République, 75001 Paris
Sole Social. At. Avenue de l'Obélisque
PARIS 2ème

AVIS DE CONVOCATION
Messieurs les propriétaires d'obligations 101, rue de la République, 75001 Paris, sont convoqués en Assemblée Générale Extraordinaire le 15 septembre 1975, à 15 heures, au siège social, pour l'approbation de la modification des statuts de la Société Civile des Propriétaires d'Obélisations, et pour l'élection d'un nouveau Conseil d'Administration.

ORDRE DU JOUR
1. Ratification de la désignation des membres du Conseil d'Administration de la Société Civile des Propriétaires d'Obélisations.
2. Approbation de la modification des statuts de la Société Civile des Propriétaires d'Obélisations.
3. Election d'un nouveau Conseil d'Administration.

M. L. HOLDINGS LIMITED
PEDIEMARBLE REFERENCE OF 51
OTICE IS HEREBY GIVEN that the company has been registered in the Companies Register of the Registrar of Companies, London, on the 29th day of August, 1975, both days.

By Order of the Board,
C. H. JONES, Secretary.

LEGAL NOTICES
No. 00278 of 1975
In the HIGH COURT OF JUSTICE, Division of Chancery, in the Matter of the Companies Act, 1947, and in the Matter of the Companies Act, 1967, and in the Matter of the Companies Act, 1980.

NOTICE IS HEREBY GIVEN that a Petition for the winding up of the above-named Company by the High Court of Justice was presented to the said Court by the said Company on the 29th day of August, 1975, and that the said Petition is now pending in the said Court.

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GENERAL APPOINTMENTS

Company Secretary
C.I.S. Age 35-45 Salary c.£7,000

The requirement is for a qualified practitioner with substantial Secretarial experience, including public company work, gained in a large industrial or commercial concern. Acquisition experience could be an asset.

He will be appointed Deputy Secretary of a large and successful British Industrial Group, responsible for a broad range of Secretarial activities at parent company and main Board level.

Central London location.

Please write, in strict confidence, giving full personal and career details (and home phone numbers), quoting ref 806/FT to:-

Philip Smith
Manpower Consultants
85-87 Jermyn Street, London SW1Y 6JD

ART GALLERIES

ANTHROPOS GALLERY, Specialists in African Art, 67, Monmouth Street, Upper St. Martin's Lane, W.C.2. Tel. 01-479 0132. Hours: Mon-Fri 10-6, Sat 10-5, Sun 11-5. (Incl. Mon-Fri 10-6, Thurs. 10-11, Fri 10-12, Sat 10-11, Sun 11-5)

OMELI GALLERIES, 40 Abchurch Lane, London EC4N 3DF. Tel. 01-479 0132. Hours: Mon-Fri 10-6, Sat 10-5, Sun 11-5. (Incl. Mon-Fri 10-6, Thurs. 10-11, Fri 10-12, Sat 10-11, Sun 11-5)

ROYAL ACADEMY OF ARTS, HOMMAGE to the French Graphic Art of the 19th and 20th centuries, 10, Pall Mall, London W1. Tel. 01-479 0132. Hours: Mon-Fri 10-6, Sat 10-5, Sun 11-5. (Incl. Mon-Fri 10-6, Thurs. 10-11, Fri 10-12, Sat 10-11, Sun 11-5)

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CLUBS

EVE, 199 Regent St. 737 0557. A la carte. Sat. 10-12. Mon-Fri 10-11. (Incl. Mon-Fri 10-6, Thurs. 10-11, Fri 10-12, Sat 10-11, Sun 11-5)

THE CASUALTY, 101, Pall Mall, London W1. Tel. 01-479 0132. Hours: Mon-Fri 10-6, Sat 10-5, Sun 11-5. (Incl. Mon-Fri 10-6, Thurs. 10-11, Fri 10-12, Sat 10-11, Sun 11-5)

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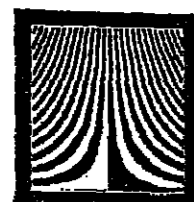
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THE CASUALTY



The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHÖETERS

METALWORKING

New automatic lathe

CLAIMED TO offer a range of facilities never previously available on a single spindle automatic lathe, the 50 mm. bar capacity Auto Sprint Series "S" marks the entry of EMI-MEC into the large capacity auto-lathe market.

Of modular construction to simplify maintenance and repair, all major electrical functions of the machine are on individual printed circuit boards. The programming technique is interchangeable with existing EMI-MEC plug-board control systems, so that operators do not have to be retrained.

A self-compensating collet mechanism allows a 0.75mm variation in the size of bar stock without collet adjustment. Automatic random selection of turret

position is available and there are independently operating cross slides with longitudinal traversing on the front slide.

Copying is possible with an optional copying unit used in conjunction with the front slide traverse. Other features include two independent vertical slides, a 7.5 hp three-speed motor driving through a gearbox with pick-off gears, giving 30 spindle speeds in five ranges from 50 rpm to 2560 rpm of which any one range of six speeds can be used in a given program.

The company is at Charlwoods Road, East Grinstead, Sussex, and the machine will be shown for the first time in South Africa at the International Machine Tool and Production Engineering Exhibition, October 21-25.

ELECTRONICS

Display is a foot tall

ALPHA-NUMERIC light emitting diode display characters in 3, 4, 6, 8 and 12-inch sizes have become available from Mentor Electronics, Ryeleigh Crescent, Northwood, Middlesex (Northwood 27051).

Applications are where longer distance readability is needed and include clock repeater displays, machine tool setting indicators, and in many process control schemes.

Displays are seven bar and consist of up to a dozen individual diodes per bar, mounted

on a printed circuit board. Driver boards are separate and can be BCD input, count and divide, or count, divide, and latch.

In a counting application, for example, the drive boards for six digits can be accommodated in one small housing while the six display boards can be mounted in line; thickness is 12 mm.

The front face of the display board is matt black so that reflection is small even in high ambient illumination. Suitable filter materials are available up to 1,400 x 625 mm. (enough for five of the largest characters) and the LEDs themselves are supplied in red, green or yellow. Prices from £23 to £75 for one off.

COMPONENTS

Oscillating switches

PULSING, INTERRUPTING and flashing functions can be carried out with switches introduced by Engel and Gibbs, Elstree Way, Boreham Wood, Herts (01-953 2291).

Basically self-oscillating mercury relays, they have sealed contacts which are immune from atmospheric contamination and provide long life maintenance-free operation. Applications are

in alarms, sirens and indicators.

Type DP/OC/F uses two mercury switches, one of which is a time delay operating in series with the coil to govern the pulsing. A second switch controls the load and can be supplied for 15, 30 or 60 A. Although frequency of pulsing can limit the use of the heavier duty switches at full power, overall dimensions of the largest model are 209 x 181 x 182 mm.

The interrupter unit HD/OC/F has two single-pole single-throw mercury switches to provide a set pulsing rate of about 133 pulses/min. Maximum load is 5 A.

PRINTING

Processor needs no plumbing

MARKING THE entry of Autex into the manufacturing (as opposed to factoring) field, is a graphic arts film processor for the offset printing industries. The company says it does not use the standard 5 litre containers for developer, fixer, etc., normally housed in a cabinet beneath the machine, but instead has a pump which eliminates both the containers and the usual tubing array.

TIMING

Electronic stopwatch

AVAILABLE FOR £45 from Wharton Electronics, 32, John William Street, Huddersfield HD1 1BG (0484 36879), is an electronic digital stopwatch. Called the Timemaster 101, it measures 127 by 63 by 40 mm and weighs 200 gms complete with PP3 type battery.

Made in the U.K., the unit should have wide application in sport and industry and is particularly easy to use. It is claimed to be accurate to 0.001

per cent. under normal conditions. There are three pairs of characters on the display showing times up to 99' 59" 59 sec and 99 hundredths of a second. A start/stop and a reset button have the normal functions but there is in addition a split button which, although it depresses the display when depressed, allows the clock to go on counting. When depressed again, the button brings up the cumulative time elapsed since the start. If required this second (and subsequent) timing can be started from zero to give consecutive readings.

The timer has a variable display brightness for use in various ambient lighting conditions.

TW11 SLD (01-977 4427) will be providing a computerized information service based on these abstracts.

The Association says WSCA will continue to appear as a monthly publication, but abstracts will be updated by about three months because of the faster processing time. Selective dissemination of information (SDI) will also be provided enabling users to obtain profiles, that is, specific subject areas to suit their own requirements. These will be supplied as a monthly computer print-out of suitable abstracts selected from the latest input. Magnetic tapes from the PIA computer will be available to organisations with their own computer, covering complete issues of WSCA, or profiles.

RESEARCH

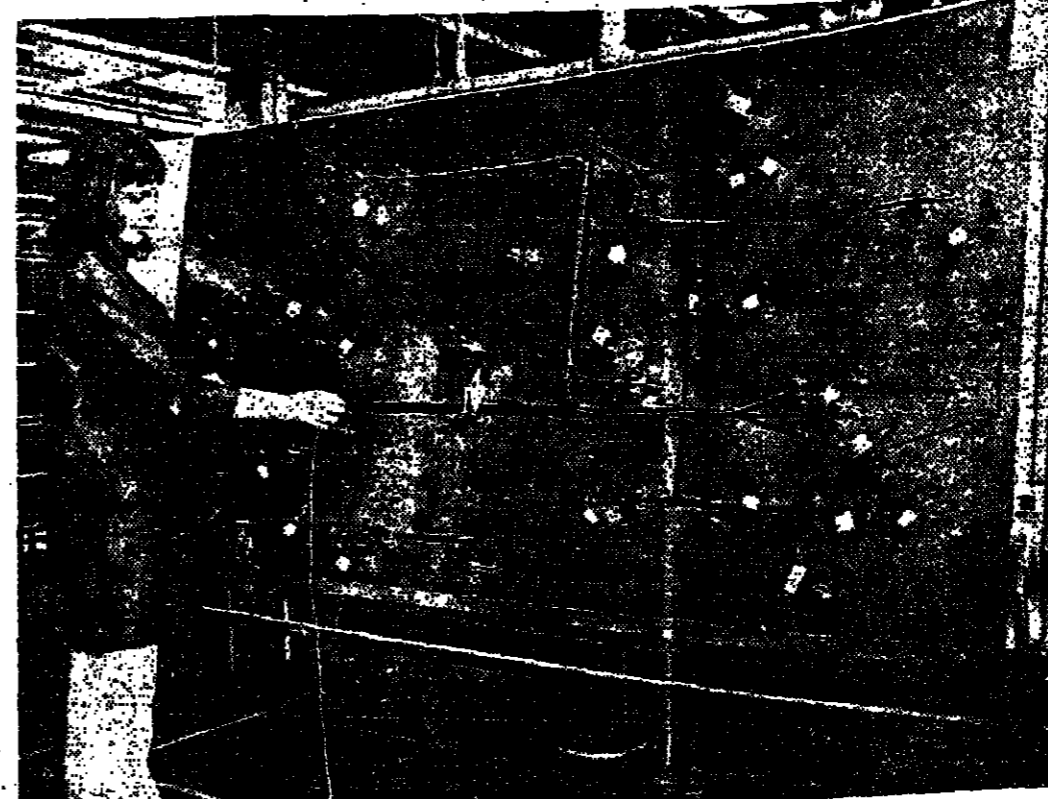
Information on surface coatings.

LATEST INFORMATION on technological developments in the coatings industry may be essential to organisations concerned with paint or allied coatings. This is often available in World Surface Coatings Abstracts, compiled from a worldwide range of journals and including patents from over a dozen countries. The problem is handling and distributing this information.

From next January, the Paint Research Association, Waldegrave Road, Teddington, Middx.

will be providing a computerized information service based on these abstracts.

The Association says WSCA will continue to appear as a monthly publication, but abstracts will be updated by about three months because of the faster processing time. Selective dissemination of information (SDI) will also be provided enabling users to obtain profiles, that is, specific subject areas to suit their own requirements. These will be supplied as a monthly computer print-out of suitable abstracts selected from the latest input. Magnetic tapes from the PIA computer will be available to organisations with their own computer, covering complete issues of WSCA, or profiles.



The production of complex wiring looms in sizes up to 10 by 3 feet has been simplified at the Rank Xerox factory, Mitcheldean, Glos. by the use of two Oxalid film products. Initially the complete wiring loom is drawn on Oxalid 0.003-inch film showing the position, colour coding and sequence of the cables and cable ties, and this is retained as a master. From it a diazo print is made on aluminium maroon line Oxalid film which has a self-adhesive backing and is laid

down on the specially prepared board on which the loom is to be assembled. The film has high dimensional stability and resistance to wear so that it can be used to make many looms without becoming unsatisfactory. Guide pins are tacked to it to help the assembler identify the position of tags and the form of the various cable runs, assisted by the instructions printed on the sheet. Modification of layouts is expedited by simply sticking new information on the board using the master/print process.

DATA PROCESSING

Data found by optical mark cards

DATA IS extracted from a card filing system using optical mark reading principles in the TE 240 put on the market by Microware Systems, 6, Totman Crescent, Rayleigh, Essex SS6 7XB (03742 3941).

The data cards measure 7 1/2 x 3 1/2 inches and each can accommodate up to 960 characters in a coding which amounts to no more than making a mark in the appropriate box. An alphanumeric method of coding allows every card to incorporate many thousands of details or cross references.

Likely to be of particular value in marketing, statistical and addressing operations, the system allows fairly straightforward questions to be answered quickly. For example, if each card represents a retail grocery outlet, a scan of them all might reveal, say, all those with a turnover greater than a given amount in a particular product.

The cards can be custom printed for each application so that for operation the user fills in a role on a site.

Venture by BOC and Brandon

COMPUTER USERS thinking of changing to an ICL 2900 range if the demand requires it.

A joint company has been formed for the purpose of but the two parties will continue to trade under their own names.

They will, however, jointly purchase an ICL 2970 machine which is to be installed near Heathrow and will begin operation on January 1, 1976. A second machine will be installed if the demand requires it.

CONSTRUCTION

Road can be picked up and relaid

AN IDEA for constructing a temporary road surface has been developed following collaboration between Kent County Council and Bell and Webster, of Hoddeston, Herts.

The road is made up from portable concrete rafts which can be removed and used elsewhere when they have fulfilled their role on a site.

The rafts, measuring 2,000 x 1,000 x 250 mm, thick, are of reinforced concrete, bound on the top edges by angle iron with a rounded edge to prevent excessive wear on rubber-tyred vehicles. Two lifting slots are provided for laying and making any subsequent adjustment.

For a refuse dump in Kent, a quarter-mile-long road was built in 28 days from site clearance, including ten days for laying and compacting sand and 11 days for drainage and ancillary works. Three men and a small crawler crane laid the rafts in seven days.

MATERIALS

Bonds glass parts

LOW TEMPERATURE powder for vitreous sealing has been introduced by Can Glass Works, New York 14533. The "solder" glass (Can code 7555) seals at the relatively low temperature of 450 deg and is particularly useful sealing liquid crystal displays since changes in the resistivity of the conductive coatings are minimized. The seal is hermetic despite the low temperature requirements of MIL-888 be met.

The company believes, although other sealing materials such as epoxies can be used, produce a hermetic seal as good as that of the new glass. Due to the bonding of the glass parts, seal offers absolute and protection.

Delivered as a fine powder (usually 95 per cent. thru 325/in mesh), the glass has a coefficient of thermal expansion of 8.8 ppm/deg. C and softening point is 410 deg.

CONTRACTS AND TENDERS

SYRIAN ARAB REPUBLIC

MINISTRY OF THE EUPHRATES DAM

CALL FOR TENDERS

FOR THE EXECUTION OF THE HEAD REACH OF THE LOWER MAIN CANAL IN THE BALIKH BASIN REGION

1. The Ministry of the Euphrates Dam in the Syrian Arab Republic expresses its desire to receive offers for the execution of the head reach of the Lower Main Canal, approx. 18 kms. long, 140m/sec. discharge with all structures related to this reach of canal. The intake of this canal lies just upstream the Euphrates Dam.

2. Required Works:

- (a) The construction of the head reach of the Lower Main Canal, approx. 18 kms. long, including earth works and lining according to the contract documents and the detailed working drawings to be submitted later.
- (b) The construction of all structures related to the same reach of canal.
- (c) The construction of a tunnel (a part of the canal, 100 km. long) 7.8 m. internal diameter with R.C. lining. However, the tenderer may submit an alternative offer replacing the tunnel by an open channel.

3. Contract Documents: Contract documents can be bought from the Ministry of the Euphrates Dam, Malki St., Damascus, for Syr.£2,000. The documents contain:

- (a) Volume 1: Instructions to tenderers.
- (b) Volume 2: General specifications.
- (c) Volume 3: General conditions.
- (d) Volume 4: Technical project:—
 - (i) The Lower Main Canal.
 - (ii) The Tunnel.
 - (iii) The Structures.
- (e) Final design drawings of the Canal, tunnel and structures.

4. Information and documents required to be presented with the bids:

- (a) Particulars about the financial capacity of the firm (its capital, available credits, and supporting letters from banks dealing with them, etc.).
- (b) Particulars about the technical capacity of the bidding firm to carry the works subject of this tender.
- (c) Number, qualifications and previous experience of the technical staff to be entrusted with the execution of the project.
- (d) Number, type, and specifications of the various equipment, machinery and means of transport to be used in the execution of the works.
- (e) Explanatory note about the method to be adopted in executing the various phases of the required works, with a suggested time-table for the execution of each.
- (f) A certified list of similar projects already executed by the bidding firm, supplemented with letters from the owners of the executed projects, testifying that all obligations and works were fulfilled to their satisfaction.

5. All offers and documents will be accepted in one of the following two languages: Arabic or English.

6. The tender shall be accompanied by a provisional deposit equal to five million Syrian pounds. The deposit shall be either in the form of cash deposit or an accepted letter of guarantee issued by a Syrian bank or a bank accepted by the Central Bank of Syria.

7. All the works included in this tender shall be completed within thirty months from the date of issuing the commencement order.

8. The Administration is not bound to accept the least price offer.

9. The tenderer should belong to a country member of the International Bank for Reconstruction and Development (I.B.R.D.).

10. The date of 1st November 1975, at 12 o'clock (noon) is the deadline to receive the tenders at the Ministry of the Euphrates Dam, Malki St., Damascus, Syrian Arab Republic.

Minister of the Euphrates Dam

Eng. Souhbi KAHALE

SYRIAN ARAB REPUBLIC

MINISTRY OF THE EUPHRATES DAM

CALL FOR TENDERS

FOR THE EXECUTION OF IRRIGATION, DRAINAGE AND LAND LEVELLING WORKS OF BIR-EL-HASHIM REGION

1. The Ministry of the Euphrates Dam in the Syrian Arab Republic expresses its desire to receive tenders for the execution of irrigation, drainage and land levelling works in Bir-el-Hashim region (part of Section 1 of the Balikh Basin) in Hama area.

2. Required Works:

- (a) The construction of the Syphon of the Upper Sannabia Canal over Wadi-El-Kayed.
- (b) The construction of the irrigation network, main, branch, major and minor canals of Bir-el-Hashim region (approx. 10,000 ha. net area) according to the approved designs. Some of these canals are earth canals lined with concrete, others are R.C. pre-fabricated flumes.
- (c) Construction of a network of open drains of different grades according to the submitted designs.
- (d) Construction of structures related to these canals, drains and roads (tunnels, bridges, culverts, outlets, etc.).
- (e) Land levelling works and construction of water courses.
- (f) Execution of subgrades or roads with stabilization.

3. Documents of the Contract: Contract documents can be bought from the Ministry of the Euphrates Dam, Malki St., Damascus, for Syr.£2,000. The documents contain:

- (a) Volume (1): Instructions to tenderers.
- (b) Volume (2): General conditions.
- (c) Volume (3): General specifications.
- (d) Volume (4): Particular specifications and bill of quantities.
- (e) Final design drawings.

4. Information and documents required to be presented with the bids:

- (a) Particulars about the financial capacity of the firm (its capital, available credits, and supporting letters from banks dealing with them, etc.).
- (b) Particulars about the technical capacity of the bidding firm to carry the works subject of this tender.
- (c) Number, qualifications and previous experience of the technical staff to be entrusted with the execution of the project.
- (d) Number, type, and specifications of the various equipment, machinery and means of transport to be used in the execution of the works.
- (e) Explanatory note about the method to be adopted in executing the various phases of the required works, with a suggested time-table for the execution of each.
- (f) A certified list of similar projects already executed by the bidding firm, supplemented with letters from the owners of the executed projects, testifying that all obligations and works were fulfilled to their satisfaction.

5. All offers and documents will be accepted in one of the following two languages: Arabic or English.

6. The tender shall be accompanied by a provisional deposit equal to five million Syrian pounds. The deposit shall be either in the form of cash deposit or an accepted letter of guarantee issued by a Syrian bank or a bank accepted by the Central Bank of Syria.

7. All the works included in this tender shall be completed within thirty months from the date of issuing the commencement order. A part of the area could be explored before the end of this period.

8. The Administration is not bound to accept the least price offer.

9. The tenderer should belong to a country member of the International Bank for Reconstruction and Development (I.B.R.D.).

10. The date of 1st November 1975, at 12 o'clock (noon) is the deadline to receive the tenders at the Ministry of the Euphrates Dam, Malki St., Damascus, Syrian Arab Republic.

Minister of the Euphrates Dam

Eng. Souhbi KAHALE

SYRIAN ARAB REPUBLIC

MINISTRY OF THE EUPHRATES DAM

CALL FOR TENDERS

FOR THE CONSTRUCTION OF PUMPING STATIONS FOR THE IRRIGATION OF BIR-EL-HASHIM REGION

1. The Ministry of the Euphrates Dam in the Syrian Arab Republic expresses its desire to receive tenders for the construction of 5 pumping stations to irrigate Bir-el-Hashim region in the Balikh Basin, Section 1.

The fundamental data for these pumping stations are:

Station	Number of units	Discharge per unit m ³ /sec.	Normal static head ms.	Max static head ms.
Bir El-Hashim	4	5.00	20.80	21.20
Bir El-Hashim (High Lift)	4	2.50	6.70	7.80
Garwa	4	1.00	10.00	10.50
Alansar	4	0.500	8.60	9.10
No. 5	3	0.300	3.80	4.20

2. Required Works:

- (a) The construction of civil works for the pump houses, inlets, outlets, transformers, and the construction of administrative buildings for the staff running and maintaining the pumping stations.
- (b) Supply and erect all mechanical equipment, including the main pumping units, cranes, drying pumps, draining pumps, sludge pumps, rising mains, various valves, inlet gates, etc.
- (c) Supply and erect electrical equipment including main pump motors, other motors, distribution systems, automatic control systems, stand by generating units, cables, etc.

3. Documents of the Contract: Contract documents can be bought from the Ministry of the Euphrates Dam, Malki St., Damascus, for Syr.£ 500. The documents contain:

- (a) Volume 1: Instructions to tenderers.
- (b) Volume 2: General conditions.
- (c) Volume 3: General specifications.
- (d) Volume 4: Particular specifications and bill of quantities.
- (e) Volume 5: 1— Drawings of civil engineering works. 2— Drawings of pumping stations (Mechanical and Electrical Equipment).

4. Information and documents required to be presented with the bids:

- (a) Particulars about the financial capacity of the bidding firm (its capital, available credits, and supporting letters from banks dealing with them, etc.).
- (b) Particulars about the technical capacity of the bidding firm to carry the works subject of this tender.
- (c) Number, qualifications and previous experience of the technical staff to be entrusted with the execution of the project.
- (d) Number, type and specifications of the various equipment, machinery and means of transport to be used in the execution of the works.
- (e) Explanatory note about the method to be adopted in executing the various phases of the required works, with a suggested time-table for the execution of each.
- (f) A certified list of similar projects already executed by the bidding firm, supplemented with letters from the owners of the executed projects, testifying that all obligations and works were fulfilled to their satisfaction.

5. All offers and documents will be accepted in one of the following two languages: Arabic or English.

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9. The tenderer should belong to a country member of the International Bank for Reconstruction and Development (I.B.R.D.).

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Minister of the Euphrates Dam

Eng. Souhbi KAHALE

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Case 580B Loader Excavator, worked under 400 hours, in as-new condition	\$4,450	Nir (0424) 89
Nu-Way HG-300 Hester	\$2,000	01-253
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Wanted Used Storage Tanks surplus to requirements	P.O.A.	07-251
1973 Newall SA Cylindrical Grinders—High Speed, 12" x 36" Angle Head, Plunge up to 10" wide, with copy. Completely equipped	From \$15,000	02-972
Rubber Processing Plant, Mixers, Mills, Calenders, etc.	P.O.A.	061-339
N.C. Flexowriters for Punching N.C. Programme Tapes—Rebuilt with 2 year Guarantee—Save up to 50%	Prices from £895-£1,250	Dudley (0) 02-972
Bigwood 16" x 0.049" Cut to length and Forming Line	P.O.A.	07-26311 Ex. Telex
8 & W V.1000—Water Cooled 1000 cfm Air Compressor	\$6,250 +VAT	01-1
5 Ton O.H.T. Crane 37' span motorised 400/3/50, Cab control. Must sell.	Offers over £500	Horley (0) 5522 B
2 Ton Dingo 42 span	Offers over £400	01-1
1 Ton Motorised Hoist Block 400/3/50	Offers over £250	01-1
Continuous mixing plants by Gardner-Whitcomb pneumatic weigher by Darent, feed screw conveyors. Output up to 25 tonnes per hour. Console controlled by single operator. New 1971	P.O.A.	062-843 Telex 91
Plastic or rubber Vickers Transformix E150, new 1971. Complete with 250 hp Thyristor drives (2 off)	\$15,000 each	062-843 Telex 91
Fork Lifts Fully Renewed, large selection, 6 months warranty	P.O.A.	01-521

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Kingdom of Morocco

OFFICE FOR INDUSTRIAL DEVELOPMENT

CEMENTERIE MAGHREBINE (CIMA) INTERNATIONAL

INVITATION TO TENDER

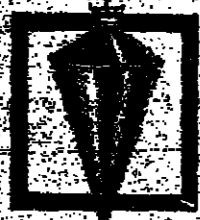
PREFELECTION OF TENDERERS

The Société Cimenterie Maghrebine is constructing a new cement works (CIMA) having an output of 1 million tonnes per year. In order to be able to select the best contractors for the construction of this plant, the project CIMA has applied for a loan from the International Bank for Reconstruction and Development.

A contract for earthworks and site preparation is under way. The object of the present tender is to select the best contractors for the construction of the plant. The tenderers are invited to submit a proposal for the construction of the plant. The tenderers are invited to submit a proposal for the construction of the plant. The tenderers are invited to submit a proposal for the construction of the plant.

Foundations for buildings, mechanical plant and conveyors. Buildings, structures in steel and concrete including chimneys. Reinforced concrete and steel silos. Service trenches and tunnels. Substations. Oil storage compound. Road construction and surfacing. Ancillary works including drainage and water supply. The tender documents will be issued to selected contractors during the week of 10th to 14th September 1975. Contractors who are interested in being considered for this contract, apply to CIMA giving details of their experience on similar works, and with technical, administrative and financial references. Applications should be sent to CIMA and arrive at the following address: later than 20th September 1975.

Monsieur Le Directeur General de la CEMENTERIE MAGHREBINE (CIMA) 2 Rue Chénab Eddoukhal BP 10000 Rabat, Maroc. Telex: 31 577 RABAT (Morocco)



Building and Civil Engineering

Offices for the Banque Belge

A CONTRACT valued at £4.7m. for the construction on a 1,200 square metres site in Bishopsgate, London, of an office block, bank, and banking premises for Banque Belge has been awarded to Sir Robert McAlpine and Sons by Bishopsgate Estates.

Some 82,000 square metres of McAlpine says considerable floor space will be provided in underpinning to adjoining building. The fully air-conditioned and lifts will be necessary during the centrally heated building, which construction of a reinforced is programmed for completion in concrete, two-level basement, 11, late 1977.

Below ground level, Architects are Gollins Melvin Above ground, the 23 metres by Ward and Partners, quantity 27 metres on-plan building will surveyors, London and Every rise to a six-storey, and plant and consulting engineers Scott room, height of 33 metres. Wilson Kirkpatrick and Partners.

Wimpey gets more jobs in Scotland

GEORGE WIMPEY has been awarded a further contract for the construction of dwellings in Irvine New Town, Ayrshire.

The contract, a continuation of the Bournehill development at Towerland Road, Dregburn, Irvine, is for 318 dwellings and 80 garages valued at about £2.2m.

The project, which includes associated second stage site services and site works, involves 284 three-storey dwellings and 29 three-storey dwellings. Work will start next Monday and is due for completion in December, 1977.

This contract brings the total dwellings being undertaken for the Bournehill development by Wimpey to 614, and for the new town as a whole to 1,218.

Wimpey has also won a £970,000 contract from the City of Glasgow District Council for the construction of a working men's hostel.

The hostel will comprise one-storey centre block, a three-storey wing with services, pen-house, a storey east wing with services, pen-house and a single-storey rear extension to the centre block.

The complex will contain 349 one-person bedrooms and super-independent bar with associated services, canteen, dining area and TV lounge.

Work is due to start on September 11 and is scheduled for completion in April, 1977.

£3.3m. jobs awarded to Shepherd

OVER £3.3m. worth of contracts have been won by Shepherd Construction.

Two of them, worth over £1m. are for building projects in Leeds, another is for a £1.6m. office building and multi-storey car park in Wakefield where a system speeded construction by high level bridge deck will span Marsh Way, and the fourth project worth more than £500,000 is bricklaying costs, and general for reconstruction work in labouring.

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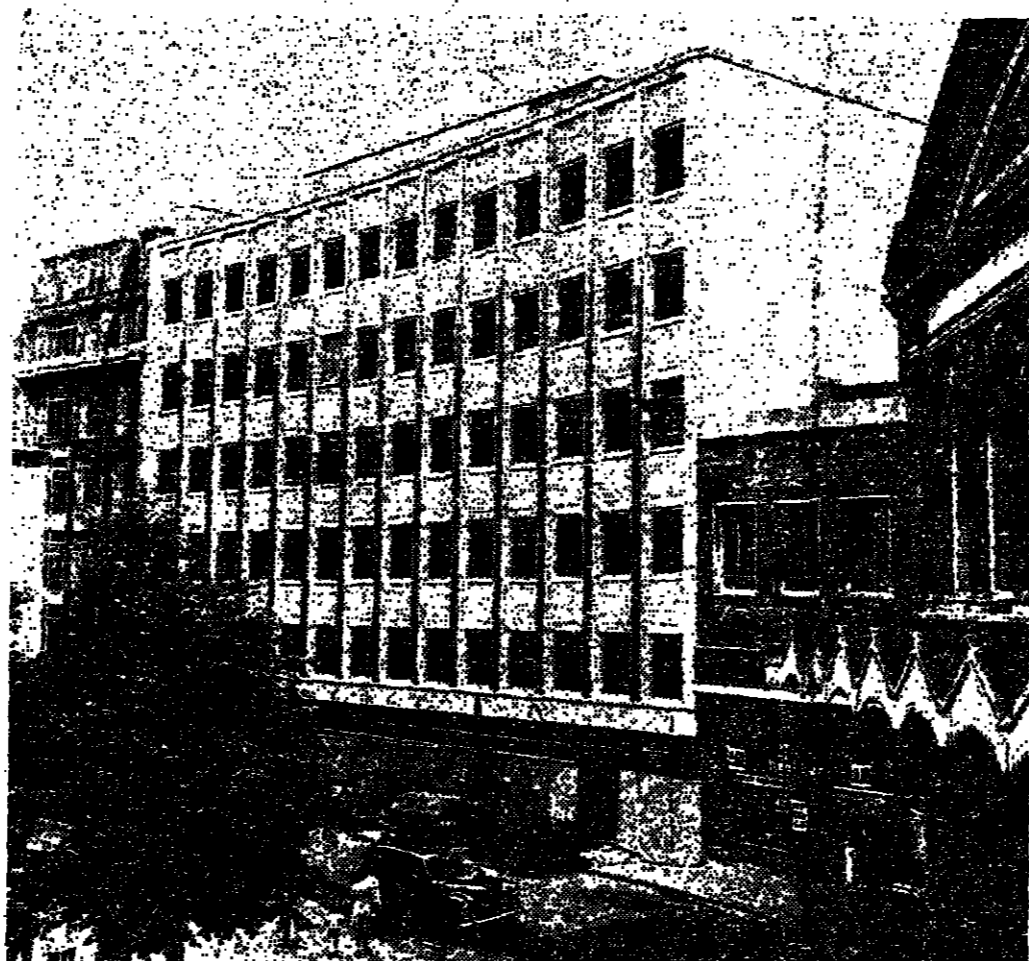
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SEA DEFENCE & RAILWAY Schemes



This building in Railway Place, London, E.C.3, is to be used as an extension to its headquarters in nearby Fenchurch Street by Lloyd's Register of Shipping. It has recently been completed by Trollope and Colls under a £1.1m. contract and provides an extra 45,000 square feet of office space. Architects were William Holford and Partners.

Catering school

COSTAIN Australia has won a £2m. contract to build a school in West Ryde, New South Wales for the Public Works Department of NSW.

The seven-storey building will be of reinforced concrete structure with brick and glazed elevations and will be used as a training school for those involved in the food and hotel service industries.

It is intended that the building will be available for public use thus providing students with "on the job" training.

The contract includes major roadworks and landscaping. Work has begun and is due for completion in October, 1977.

Five for Farrow

FIVE CONTRACTS, with a total value of £21m. have been awarded to Howard Farrow Construction.

The biggest, worth £1m. is for extensions and alterations to Queen Elizabeth's Girl's School for the London Borough of Barnet.

Other contracts are for a Waitrose supermarket for the John Lewis Partnership at Brent Cross, London (£1m.), for a central kitchen complex producing pre-packed meals for the London Borough of Islington's Social Services Directorate (£553,500), alterations to Barclays Bank at Town Square, Stevenage, Herts, and alterations at Golders Green Road, London, N.W.11 to provide office accommodation for Bank Leumi (U.K.).

Preparing the way

CONTRACTS WORTH about £280,000 for site investigation work at Manama in Bahrain have been awarded to Cementation (Ground Engineering).

One contract—sewerage works scheme—is for the State of Bahrain's Ministry of Development and Engineering Services. Consulting engineers involved are J. D. and D. M. Watson of High Wycombe, Bucks. This work is being undertaken in a joint venture with ARECO (the Arab Engineering Company). It is intended to sink a total of 111 boreholes in and around



Manama town, the island of Muharraq and at two proposed sewage treatment works sites. Apart from the sewerage scheme, Cementation and ARECO are to carry out a site investigation for the new Sheraton Hotel in Manama involving 26 boreholes down through water to a depth of 20 metres. The hotel is to be built on reclaimed land.



Work has started on a £527,000 extension to Rudheath Secondary Modern School at Northwich for Cheshire County Council while work is due to start shortly on the first stage of a comprehensive school at Boddermen, Anglesey, for Gwynedd County Council. This will cost £387,000.

Offshore oil manpower forecasts

MANPOWER assessment methods for the offshore oil industry and the two associated industries of shipbuilding and mechanical and electrical engineering construction have been formulated in a forecasting programme devised by Loughborough University's Department of Civil Engineering.

The Department says it would now like to hear from organisations concerned with the appropriate industrial sectors, who would be prepared to supply basic information of the offshore oil and related industries. In return access would be provided to forecasts of the need for specialised skills by region and industry.

The information required for individual projects costing over £10m. is the approximate resource usage by craft, both now and in prospect.

More information is obtainable from Professor Geoffrey Trimble or Mr. Peter Morgan, Department of Civil Engineering, Loughborough University of Technology (Loughborough CB31T, extension 5161).

Products information system

A NEW guide to building products available in the U.K. is announced today by Barbour Index. It is intended mainly for architects, consulting engineers, quantity surveyors and others involved in selecting equipment, materials and fittings.

The guide will be known as the Barbour Compendium of Building Products and will be in three main parts. The first will be an alphabetical index to every type of building product, whether general or specialised. Complementary to this will be an index to companies manufacturing or marketing building products in the U.K. accompanied by their trade names.

These two indices will be cross-referenced to more detailed illustrated information on individual products, to provide the process of initial selection—properties, performance, cost guide, etc. The Compendium is not intended to fulfil the more elaborate information needs which arise at the later detailed planning stage, these being met by the existing Barbour Index libraries, by manufacturers direct and through builders' merchants.

It is planned to distribute 20,000 copies of the Compendium in September, 1976.

Barbour says a company set up last January to market the system in South Africa is already assured of a good profit in its first year of operation. Another company, in Canada, is launching the system there simultaneously with its introduction to the U.K.

Negotiations are also in progress with potential partners in Japan and Brazil. Opportunities in other EEC countries, the Far East and South America are being investigated.

The method chosen by Bar-

hour to market abroad is the formation of jointly owned companies in the countries concerned. Each partner has 50 per cent of the shareholding and the profits. Barbour providing the specialist knowledge and expertise and the local firm contributing all the capital.

In South Africa the partners are Houters of Johannesburg, while in Canada the link is with Southern Press of Toronto.

More details about the system can be obtained from Barbour Index at New Lodge, Drift Road, Windsor, Berks. (03447 4121).

Woodwool cement partition

A RANGE of woodwool/cement panels for use as wall linings or partitioning in domestic, industrial and commercial buildings has been introduced by Woodcemair, 48 Sheen Lane, East Sheen, London, S.W.14 (01-876 1142)—a Torvale Group Company.

Available in a range of Imperial and metric lengths in a standard 600 mm width, the Woodwool wall lining panels have a Class "O" fire rating. The interlocking panels are unaffected by climatic changes and are resistant to chemicals and other corrosive agents. They cut easily and can be rapidly erected by unskilled labour, vertically or horizontally up to a height or length of 4,000 mm, without intermediate support, says the maker.

A panel of 55 mm thickness is stated to have about the same insulation value as 356 mm clay block, 710 mm brickwork and 864 mm concrete.

Sound absorption is said to be 30 to 90 per cent, depending on frequency with a sound reduction index of up to 52 dB (average) where a pre-screened finish is used. The panels are 50, 75 and 100 mm thick, with various factory applied surface finishes. A range of galvanised channels, fixings and other accessories is available.

RENDAL Palmer and Tritton has been retained by the Off-shore Supplies Office, Department of Energy to watch over the costs of the development by ANDOC of the oil platform construction site at Hunterston in Scotland.

This is the second job of this nature for the firm which is currently carrying out a similar task for the Government on the SP(CS) development at Portaradie.

Reaching up to the lights

AN access platform has been built for Humberside County Council for maintenance duties on motorway lighting. It is basically a Simon hydraulic platform which carries men and tools up to a working height of 15.2 metres (50 feet).

It is mounted on an Albion Chieftain chassis and equipped

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with a workshop cab containing work bench, wash basin with running hot water, toilet, calor gas supply and storage compartments for lamp replacements and cleaning gear.

The vehicle carries a 100-gallon cold water container which is connected by pipelines to the operators' working cage for lamp cleaning. The cage is also fitted with 24-volt lighting from the vehicle's batteries and a compressed air supply.

BASE plates for 17 miles of tunnels to be driven beneath the North Pennines as part of a £50m. Northumbrian Water Authority scheme to increase the supply to the North-East industrial complex are to be supplied by Atcost (Northern). Value of the order is £1m.

The units will form the tunnel base upon which will be laid rails to carry the skips bringing rock away from the drilling face. Each unit weighs 4,400 and deliveries are scheduled at 450 tons a month for the next 31 years. The contract was placed by Tyne-Tees Tunneling, an Anglo-German consortium.

Problems of ill winds

A NEW book just published by the Building Research Establishment, "Wind environment around buildings," by A. D. Penwarden and A. F. E. Wise, is now being offered to architects and planners.

The book follows research at the Building Research Establishment and aims to explain the causes of uncomfortably high wind speeds around tall buildings. Methods for predicting and classifying wind conditions and ways in which pedestrian areas can be protected are suggested.

The book is available from the Stationery Office, P.O. Box 563, London SE1 9NH, price £2.50 (postage 13p extra).

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AUSTRALIA

The end of the Labor Government is regarded by most as a matter of time. An active and unorthodox administration, which fought to a standstill a bitter war with its Treasury officials, is likely to be succeeded by devout conservatives.

Final days of an era

By Peter Dunne

THE MOOD in Canberra this winter, and perhaps to a lesser extent, the mood in Australia as a whole, is that of a final day. The Labor Government, which has been in power for 11 years, is likely to be replaced by a conservative government in May 1977. The Labor Government has been in power for 11 years, and its policies have been a mix of pragmatism and idealism. It has been a government of compromise, and its policies have been a mix of pragmatism and idealism. It has been a government of compromise, and its policies have been a mix of pragmatism and idealism.

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There is a suspicion the man- darins actually tricked the Gov- ernment into imposing a much tougher squeeze on the economy Cabinet would have agreed to consider. There is also little doubt in Canberra that the Treasury contributed to the Ministry's embarrassment in the recent overseas loans affair.

Breakdown

The loans controversy ap- peared to demonstrate the final stages of breakdown between these two branches of Government. On the one hand, members of the Cabinet arrived at the seemingly madcap consensus that it would be useful to bor- row \$A3bn. (or some other large sum) on world markets, no doubt because they thought it would advance the Labour Party's programmes (for things like a uranium enrichment plant) and put paid to com- plaints and warnings that Gov- ernment policies were frighten- ing away much-needed foreign risk capital.

appears, the Government has fully (as last year) on the temporarily run out of radical ideas. The opposition labours under no such disability. The coalition of Liberal and National Country parties is now led by a man who personifies, even in his physical appearance, rocklike solidity. That is Mr. Malcolm Fraser, the one-time Defence Minister who successfully challenged Mr. Billy Snedden in April, and whose reputation for conservatism has been nothing if not enhanced by his failure to espouse serious causes since then.

Achievement

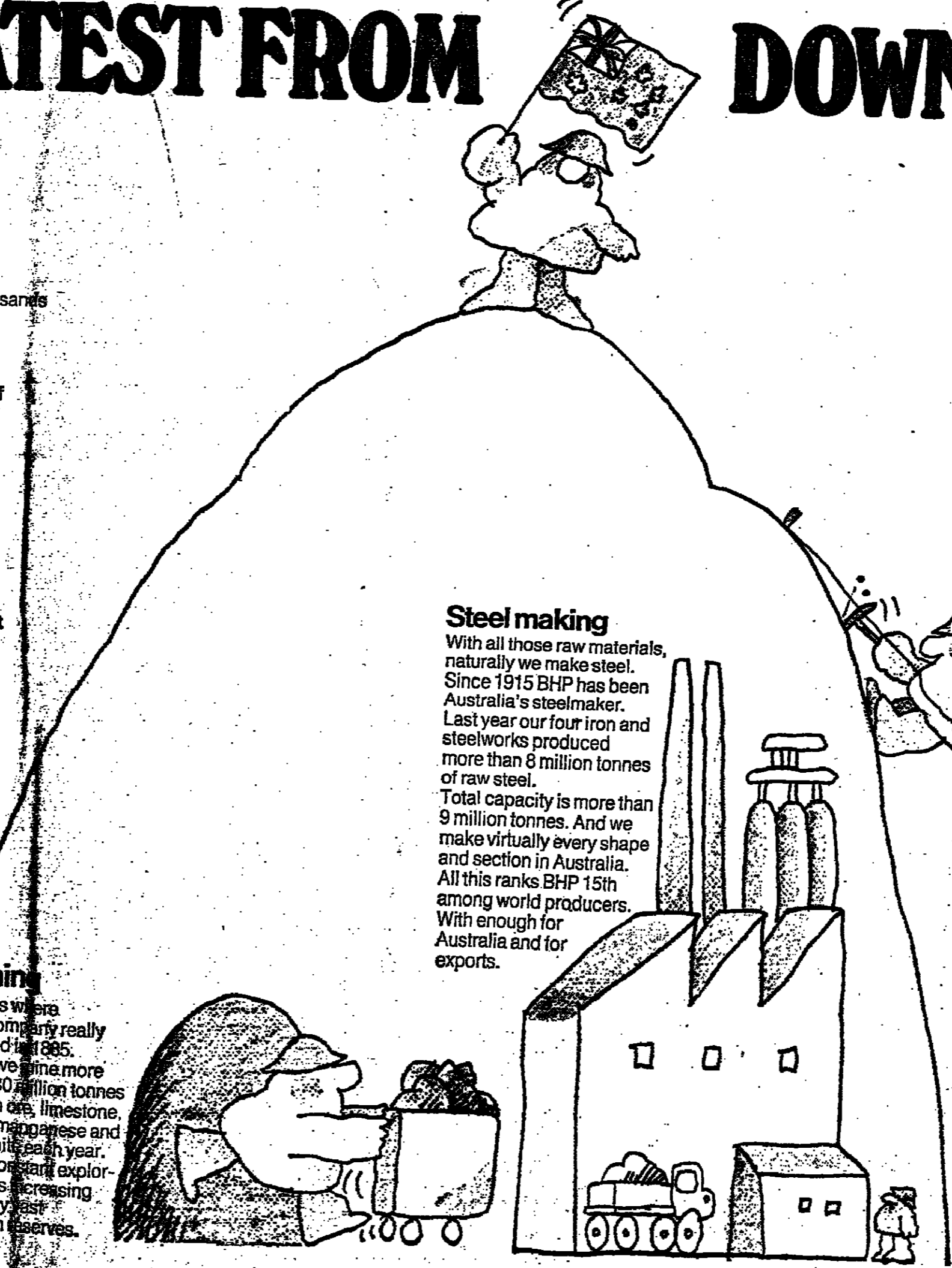
Mr. Fraser is manifestly the man of the hour. He would not necessarily be a popular head of government for long, but there is no doubt he comfortably wears the mantle of Prime Minister-designate now, in a way that his predecessor never suc- ceeded in doing. In all prob- ability that is because Mr. Fraser merely has to be himself, where in Mr. Snedden's time it appeared necessary for the Liberals to compete with the Government as originators of progressive policies. There are strong feelings in Australia, particularly among the political pundits, that Mr. Fraser should not seize the first opportunity to force a general election (which will arise almost any time, because the opposition controls the Senate which has power to cut off the Government's money, for instance by blocking the Budget).

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In 1960 we took up exploration permits. Then we invited Esso to form a partnership. And in 1964 the first drilling started. At that time, Australia imported all of its petroleum needs. Today 69 per cent comes from Australian sources. About 90 per cent of this from the Bass Strait fields discovered and developed by BHP and Esso. Oil from Bass Strait is currently shielding Australia from the energy crises and saving the country more than £Stg.598 million in imported oil charges. But Australia must find more petroleum and BHP is continuing the search at home and overseas.

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Hundreds of our people are engaged in research, development and mineral exploration. Our geological exploration teams are working all over Australia and in South East Asia. Our research programmes range from developing new ways of making steel to making oil from coal. We are looking at building a revolutionary modular housing system as well as developing a new orbital engine.

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Over the past 10 years BHP has ploughed back over £Stg.1,026 million in new plant and equipment. Over that same period the company has paid out more than £Stg.218 million to its shareholders. Today, there are 191,000 of them. And nearly 20,000 of them are U.K. shareholders and Sterling debenture holders. Perhaps our most important investment is in brain power. At this moment we have some 6,000 of our people receiving specialised training and higher education. We intend to be here for a long time.

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Australian Enterprise

AUSTRALIA II

Goodbye to economic bliss

AUSTRALIANS talk about their economy with fascinated disbelief. And well they may. Until three or four years ago, it could fairly be described, and was, as the most stable in the world, having for a full generation achieved one of the highest rates of employment and one of the lowest rates of inflation. It was, admittedly, a low growth economy relative to the large sums of capital put in, but Australians were enjoying a steadily rising standard of living and apparently looking forward to an indefinite continuation of this blissful state of affairs. It required them to do little besides allow the bulldozers free rein to scoop out the iron, coal, beach sands and bauxite.

Now unemployment is higher than it has ever been, above 4.5 per cent; prices are rising faster than ever before, by an annual rate approaching 20 per cent; GDP growth is barely positive any more; the flow of capital into productive resources has fallen drastically and the Government is having to conduct its operations by previously unheard of (in Australia) resort to the currency printing presses.

It has the appearance of a continuing nightmare. Unless wage pressures moderate, prices will continue to rise and investment will continue to be frightened off. Large Government expenditure is partly (and avowedly) intended to counter the unemployment, and can therefore be seen as underpinning the labour market which means adding weight to workers' demands. Thus appears the vicious spiral, with no prospect that enough goods and services will appear on the scene to satisfy the burgeoning consumer demand.

Haunting

There is no doubt that this is the spectre haunting many businessmen and their bankers. They say that the reason for the lack of investment in new production facilities is that inflation has driven money to the short end of the financial markets, so that it becomes prohibitively expensive to borrow long. This is strictly and narrowly true.

But the real reason why the stock market is incapable of supporting capital issues is something else. The essential

truth is that business sentiment, which is a crucial factor in the total equation, has gone completely to pot. Its condition is captured in the frequently heard businessman's opinion that "Australia is now in the same (appalling) state as Britain."

It is relatively easy to see how this situation arose. In many ways it is a story of the Labour Government's inability to do quite simple economic sums. Labour set the action rolling in its earliest days by a combination of (a) announcing large increases in public expenditure which (b) it failed to recoup in taxation or in any way neutralise and (c) supporting increased wage claims at the 1973 minimum wage hearings of the Arbitration Commission.

It overdid this to such an extent that the economy was seriously out of kilter by the beginning of 1974. Meanwhile it condoned and in some cases conspired in several slams at business confidence, which every businessman can tick off in his sleep. As recited, these were the two autonomous revaluations of the Australian dollar (by 7 per cent in December, 1972 and 25 per cent in September, 1973); setting up of prices justification machinery (August, 1973); enactment of tough trade practices legislation, and finally (in mid-1974) a fearsome credit squeeze.

In point of fact, the Labor Government has never been deliberately vindictive towards the business community. Its sin, rather, was in taking the private sector too much for granted—that is, failing to foresee the cumulative repercussions of its individually legitimate actions. It must also be said that some things businessmen complain of were the product of the civil service and central bank. That is particularly true of the devastating credit squeeze which descended a year ago.

What counts is that the combination proved more than sufficient to transform boom into stagnation, and start business off down the road to believing that the situation might be beyond repair.

From outside Australia that must seem incredible. But there is no doubt that formidable difficulties had begun to show up about this time last year.

Surely the biggest was that the labour market was revealed to be hopelessly unorganised to cope with life in an inflationary climate. Workers are well set up to push their individual interests through their unions, but the unions are too independent of each other for the labour movement to be usefully regarded as a collective entity. Hence there is little use looking to labour for self-restraint (what employers call "a responsible attitude"), or to see it as a credible partner in a social contract. Britain's TUC is in fact a more effective-looking body from these points of view than the ACTU.

At the same time Australia's wage regulating machinery, including the in many ways estimable Arbitration Commission, is designed to arbitrate between disputing parties and to fix minimum wages, not to put a ceiling on earnings.

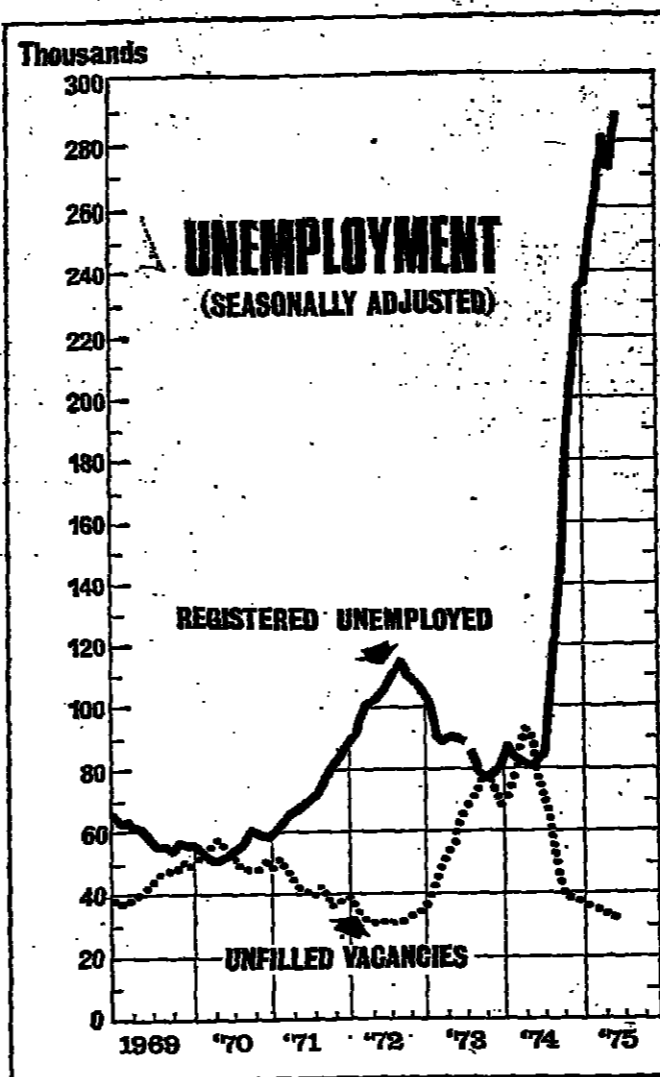
Sensible

In this context the Government's new wage indexation policy, likewise the tax indexation which is being held out as a reward for union moderation, is a sensible attempt to restore order to a bear garden. However since wage indexation merely promises workers that their earnings will keep abreast of inflation, it in one sense only institutionalises inflation, and is in no sense a drastic cure.

Thus there has been no alternative to what Treasury officials privately call "breaking the monopoly power of the unions," by which they mean creating so much unemployment that workers individually and collectively lose their nerve and stop asking for more money beyond the economy's ability to bestow real wage increases.

The key to this policy has been to exploit the lack of confidence in employer circles, with a view to strengthening employers' reluctance to concede wage demands, and at the same time causing employers to lay off workers or cut down recruitment programmes.

In fact there is no doubt that the burden has fallen heavily on the corporate sector and of course on those 215,000 who do not have jobs. Profits will be sharply down this year. Meanwhile, wages, of most of those lucky enough to have work, are still apparently well ahead of the consumer price index. At end-March average wages were 28 per cent higher over the



previous 12 months, against 17.6 per cent for consumer prices.

This roughly is where the situation now finds itself. It is in many respects an awkward moment. It is no use pretending the Labor Government has been fully in support of the strategy, or even that it has fully known what that was. It is even probable that the Treasury hid from its political masters the full intensity of the squeeze it inaugurated last year, a squeeze which, as bankers still recall in awed tones, caused interest rates to double in 30 days (many people in and out of government appear to believe that the Treasury miscalculated; but the more likely explanation is that it knew the prescription would be politically unacceptable).

It did in fact prove politically too much, leading the Cabinet to take measures to cushion the rising unemployment, thus pushing up the deficit.

The net results have merely to be recorded. At the end of April unemployment reached a record 4.72 per cent of the labour force, more than tripling within a 12-month period, from around 80,000 to 281,000 (seasonally adjusted). In the following three months the total appeared to stabilise but then crept higher again—this despite government-sponsored relief works (the regional employment development scheme) which provided work for 30,000 people at end-June.

Meanwhile the Government ended its June 30 fiscal year with a deficit of \$42.5bn, more than three times bigger than anything previously known, and compared with a small surplus budgeted for last September. Budget spending was 48 per cent higher than the previous year's. GDP fell slightly more than

1 per cent in the 12 months not going to be apparent until March 31, all the decline for some time. Mr. Hayden coming in the non-farm sector could not be sure that the steam has begun to go out of the (down 1.5 per cent).

Private capital spending, wage demands. Not is there normally accounting for about any way of guaranteeing that one-fifth of gross national product private capital outlays will expenditure, dropped 6 per cent remain at a low level for the cent in real terms. Consumer next several months spending was virtually static. But, making these two throughout 1974 but has shown assumptions, there is no doubt robust growth this year, as a respectable economic case for result of rising wages, and another big Budget deficit, such Government pump-priming, but as the out-turn is likely to be, this buoyancy has not so far and as Mr. Hayden's Cabinet done anything to restore colleagues told him was business confidence.

The only economic variable to look at all its usual self has domestic pruning of existing been the external balance, spending programmes (either while the current account (seasonally adjusted) was in deficit. In five consecutive quarters up to March 1975, an improvement did set in towards the end of last year and has looked like being maintained. Among other things, exports in the three months to end-May were 20 per cent higher than a year ago. Meanwhile, though much reduced, there have continued to be net capital inflows for the past three fiscal years. The external situation is therefore not an immediate anxiety.

The latest factors are these contributed by the August 19 Budget speech, the first from Mr. Bill Hayden who on June 5 succeeded Dr. Jim Cairns, who had replaced Mr. Frank Green at the end of last year.

The Federal Treasurer among other things foreshadowed a bigger deficit than last year's—\$42.5bn, with a net domestic impact of \$42.1bn—but one considerably reduced from preliminary estimates of \$45bn, by a combination of cut spending plans and selectively higher taxes, mainly indirect. Most direct taxpayers, including companies, were given some relief, despite which total receipts are budgeted to grow by a larger margin (25 per cent) than expenditure (23 per cent)—surely optimistic.

Whether this is the right combination is only too clearly

Looking slightly further ahead, a revival of private capital expenditure is very necessary, there being no other method by which Australia can resume its economic growth. In present circumstances it is going into almost inconceivable that such renewed investment in productive capital could be accommodated in a non-inflationary manner alongside Government spending rising at its present rate. At some stage therefore public sector brakes will have to go on even harder.

This may seem to call for almost superhuman skill and determination. But with a bit of luck, the event which causes the one may also facilitate the other, the one that immediately springs to mind being a change of Government. That would manifestly be a shot in the arm for the business sector, while at the same time there would be a natural inclination for a new Government to review the expenditure programmes of its free-spending predecessor.

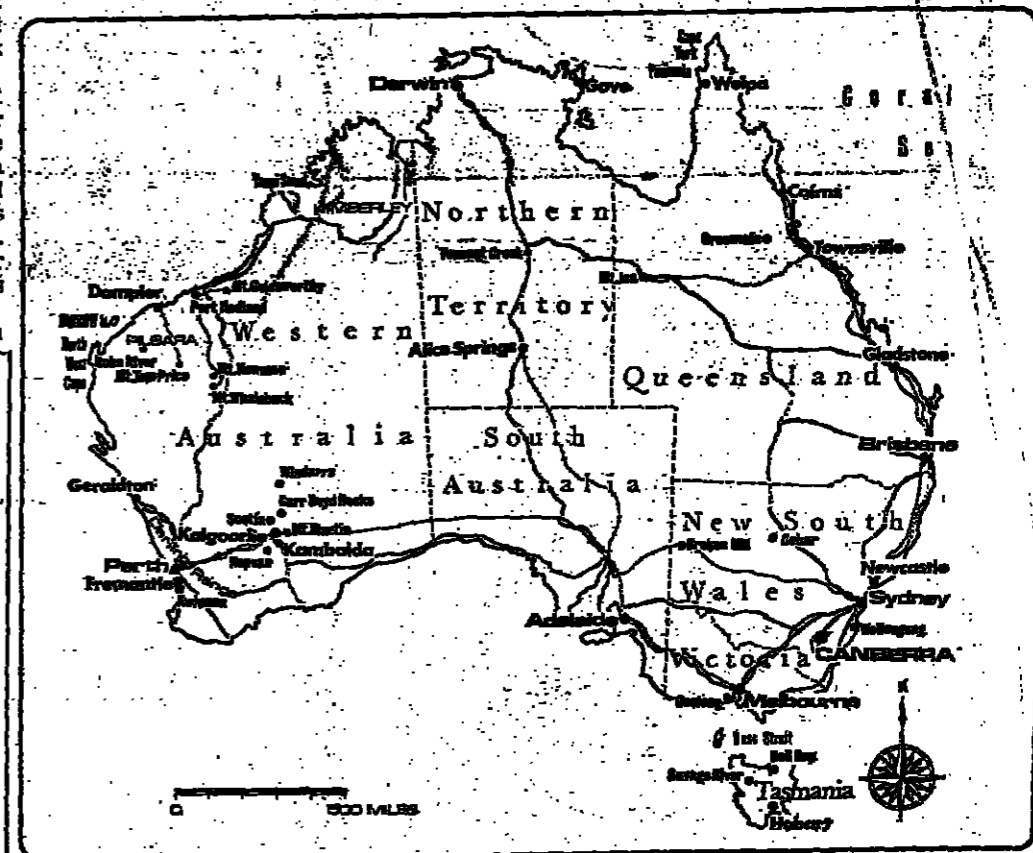
The situation at this moment

BASIC STATISTICS

Area:	2,967,908 sq. miles
Population:	13.34m.
GDP (1974):	\$450.14bn. (est.)
GDP per capita (1974):	\$43,759 (est.)
TRADE (1974):	
Imports:	\$48.64bn.
Exports:	\$47.69bn.
Imports from U.K.:	\$589.5m.
Exports to U.K.:	\$311.5m.
Currency:	\$1 = 1.4966 Australian dollars

is that the economy is pulling out of the recession, but the components of gross domestic expenditure are not in the approved proportions (too little into productive facilities), which if uncorrected can only mean trouble again later on. This makes the recovery unsuitably based. It is also precariously based, in that there is a high rate of inflation, militating against earnest pump-priming by the fiscal and monetary authorities. The key to what will in fact happen in the next 12 months is held by organised labour, since this is obviously a case where the more restrained the pay settlements, the more scope for other remedies, and the more quickly will the country be able to head its citizens increased real incomes again. In Australia's case the rewards of moderation stand to be unusually large.

Peter Dunning



Final days

CONTINUED FROM PREVIOUS PAGE

a foot in proposing legislation without the way being prepared by public inquiries and reports, many of which have been of high quality, with the debate then carried on in the public prints and over the radio and television networks, of the Australian Broadcasting Commission, whose public affairs programmes rank among the world's best.

There is unlikely to be speedy reversion to the arrangements (still observable in some States) where half-baked laws, apparently the product of some bureaucratic whim, used to appear mysteriously out of nowhere, often to be promulgated before the public had any precise idea what it was all about.

There are other major and probably irreversible changes for the better. These include decent unemployment benefits; the comprehensive medical benefits (Medibank) which came into operation on July 1; vast expenditure on education; no-fault divorce; and dropping of the high-protective duties by which Australian industry had long been mollycoddled.

It seems no exaggeration to say that "Australian society will never be the same again," as quoted by Dr. Peter Wilenski, one of the Prime Minister's original backroom boys, now permanent secretary of Labour.

Of course, even the achievements have their imperfections. Medibank will be exceptionally expensive, mainly because the Government was willing to go out of its way to accommodate the doctors. The tariff cuts of July, 1973, can now be seen, even by a prime architect like

Mr. Brian Bragan (one of the academic economists on loan to the Prime Minister's department), to have been too sudden and too sharp, so that the blow has had to be softened for some time by Mr. Bjelke-Petersen's (though it is important to note that where the protection has been restored it has been done selectively and, theoretically at least, strictly temporarily).

Devaluation last September was another admission of failure. In some other spheres the Government may seem to have failed to live up to its early promises. The Aborigines have yet to become full citizens, in that they remain both patronised and cut off from the mainstream of society. The State Governments have not noticeably been subdued, but on the contrary remain repositories of power capable of thwarting the Central Government.

Centralism

However appearances may be deceptive. Canberra has succeeded in establishing direct relations with local and state authorities (in the strong words) that he has in a few months, when all Centralism has almost certainly have seemed lost, rail been taken a few steps further, deploying Labor's best in the two crucially important portfolios (Mr. Bill Ha Pettersen in Queensland, and the Treasury and Immigration), both of which involves not only all which encountered the Party objections. But it not look as though he could not have done, had the time to save the day, even by a prime architect like

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Australian Department of Overseas Trade

Copies of this map are available from Group Head Office

AUSTRALIA IV

Crucial timing of the next election

WITHIN TWO days of the 1975-76 Budget being presented to Parliament this month, the Leader of the Opposition, Mr. Malcolm Fraser, conceded that it was not the launching-pad for his bid to become Prime Minister of Australia.

The Budget was a failure, he declared, but "with the knowledge we have at the moment... it would be our intention to allow it a passage through the Senate."

Mr. Fraser hastened to add that the opposition parties stood ready to take over Government at any time but a lot of people didn't seem to understand the technicalities of the situation. The technicalities seem to be judging by Mr. Fraser's interview on television, that the Government could string out the process to the point of making it midsummer holiday election—and the opposition was not going to be blamed for that.

Talking-point

The timing of the next election, or the alternative formulation "how long can the Government last?" has become the constant destructive talking-point of Australian politics. Which ever way it is put, the answer lies with Mr. Malcolm Fraser. He is in unchallengeable control of the Liberal Party—and, for that matter, of the coalition opposition with the National Country Party. And the numbers at his command in the Senate make it possible for Mr. Fraser to force the Government to the polls by denying it funds which are normally sought in Appropriation Bills during the autumn and spring.

By apparently closing off the option of post-Budget elections, Mr. Fraser is forcing himself to wait until April or May next year for the next chance. He seems not at all unhappy at the prospect, despite the restlessness of a good many of his supporters who are motivated by the simple principle "when you can win, go." Labor would certainly be defeated at the moment. Their chances of victory appear little better no matter how long the day of reckoning is postponed. The recent opinion polls put Labor

Party support well below 40 per cent and there is no evidence that it has reached rock-bottom. The same polls have shown that Mr. Fraser has won an acceptance with the voters far beyond expectations in the four months since he deposed Mr. Billy Snedden—the leader who gambled on forcing a mid-term election last year, and lost. While Mr. Fraser enjoys a popularity rating above 60 per cent in the polls, the Prime Minister, Mr. Whitlam, has sunk to a record low point.

Despite all the circumstances, Mr. Fraser has never shown an inclination to become Prime Minister by default. In his initial statements as leader of the Liberal Party and the Opposition, he stressed the issues of constitutional principle in his argument. Governments were formed in the House of Representatives and, while they could command a majority there, should continue to govern, barring only "extraordinary and reprehensible" circumstances. There is a great deal to be said for such an argument. Under Mr. Snedden, the talk of forcing an early election never stopped and the resulting poor-losser image was a major factor in the failure of his bid last year. Moreover, there developed such an air of basic instability in the political system that there was genuine dismay about its effects among those who watched politics closely—whether from the inside or outside.

Ambitious

Mr. Fraser is probably no more noble or self-denying than others who reach similar heights in the calling of politics, but he is more ambitious and longer-sighted than his predecessors since Sir Robert Menzies who retired nearly a decade ago. His thinking about election timing is influenced by two factors. He can reasonably expect to win even if the election is at the end of a full term of Labor Government, somewhere in the first half of 1977. And he wants to lead a Government in his own image for a long time without the harassment of a

recalcitrant Upper House such as the Whitlam Government has suffered from its first days in 1972.

Last year's first use of the Senate to force an election against all the parliamentary conventions might go into the history books as an aberration. A second example would not ultimately the continued use of the Senate in such a fashion would become intolerable, forcing either a change in the voting system so that it mirrored the basic composition of the House of Representatives, or a limitation of its powers to deal with money bills.

Both these courses, as well as the alternative of doing nothing, would create acute philosophical strains within the Liberal Party, and tend to validate the Labor platform for abolition of the Senate. In the direction of internal party strain, Mr. Fraser already sees enough problems in the way of his long-term plans. Since 1971, the Liberals have been trying to produce a coherent and comprehensive manifesto to spell out what they like to call "the phil-

osophy of Liberalism." So far, only three statements have been approved — on industrial relations, science and technology and immigration. Mr. Fraser has recently rejected out of hand the drafts submitted to him on defence and foreign policy. He is insisting generally that the policies must deal with first principles and not dissolve into window-dressing and attempts to "match" the Labor Party platform. Mr. Fraser now wants the whole range of policies drafted, approved and published before the end of this year so that they can be actively "sold" to the electorate before an election.

The realities of the Labor Government's position must be a great comfort to Mr. Fraser as he prepares so methodically for a long spell in office. Mr. Fraser's critics are inclined to suggest periodically that he may find he has waited too long, that Labor has lived through its worst period of public disenchantment and is staging a comeback. The cold facts, however, are that Labor needs to lose only two seats to lose office. It has far more than two seats in danger and no prospect of a compensating gain, anywhere in the country. It has, moreover, the recent memory of six months' by-election in the Northern Tasmanian seat of Bass, lost in a swing of 18 per cent, after 31 continuous years in Labor hands, latterly those of Mr. Lance Barnard, Defence Minister and former Deputy Prime Minister. From such a position the comeback road is long and arduous, even without economic recession, the chance of further unemployment as an inflation mitigation programme based, necessarily, on a minimum two-three year time span.

Within the Government and the Labor Party generally, there has been growing strain and tension for the past year which shows no signs of dissipating. Mr. Whitlam has probably never been so secure in his leadership yet so widely disliked and questioned in his judgments and style. The latter result has been a taste of power after 23 years and the realisation now of staying in office now means daily battle for survival. It is to be said that the Labor Party Left-wing encouraged the view that ideological purity in wilderness was preferable to compromise. The Whitlam leadership has destroyed old power of the Left and replaced it with a whole generation of Labor Party members, a porters and parliamentarians who have enjoyed the taste of power. Confronted, as they have been in recent times, by choice of annihilation or del-

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NEXT PAGE

Foreign affairs objectives

FROM HIS first days in office, the Australian Prime Minister, Mr. Whitlam, had as a central objective of a new foreign policy preparations for the new situation that would follow what he saw as the inevitable end of the Indo-China war.

Though they fitted into other wider strategies, his immediate recognition of China (in December, 1972), and subsequently of North Korea and North Vietnam were all part of the preparations. So was the early withdrawal of Australian forces from South-Vietnam and the Singapore-Malaysia defence system.

The preparations had gone as far as they could go when the war ended with such dramatic suddenness this year. How effective they will be in their stated objectives remains to be seen. The difficulties of establishing any real contact with the new regimes in Vietnam and Cambodia have proved as great for Australia as anyone else. But in recent weeks, formal agreement has been reached between Australia and the new Vietnamese Government for an exchange of diplomatic personnel. When it takes place, the real test will begin.

Mr. Whitlam saw two roles for Australia in the post-war situation: one, where the Australian Government in an independent capacity, would be among relatively few countries with formal relations throughout the region in a critical period of reconstruction, a second where a declared ally of the U.S. might be able to ease the transition from humiliation to reconciliation.

In a speech to the National Press Club in Washington last May, Mr. Whitlam said that the "great aims of American policy can now continue undiminished and undeterred, free of the impediments and distractions and distortions of Indo-China." Lavish in his praise of American political resilience, motivations and zeal, Mr. Whitlam said: "Here is an opportunity for all of us to end our long preoccupation with military alignments in Asia, our ideological confrontations, our cold war hangups, and open a new chapter in western co-operation. Let the deeper issues of poverty, over-population and maldistribution of the world's wealth assume their proper importance in our hearts and minds. These are the real problems of the world."

These have, indeed, been the main preoccupations setting the broad thrust of Australian foreign relations in the past year. The lines were clearly set in a major policy statement in mid-1974 which marked the end of the Government's early period of political "normalisation" in which new links were forged with governments as diverse as those in Peking and the Vatican. The second phase was to concentrate on international economic relations and the "new order" demanded by the Third World.

Again, the results are too slight for assessment, yet the level of activity has been high but the objectives blurred. Australia has joined the new international organisations formed by exporters of iron ore and bauxite professing no support for the formation of OPEC-style cartels to act against consumers. But the Government has been firm in its support of OPEC-style objectives such as

better all-round balances in the terms of international trade. The decisions to join these organisations were made essentially on the ground that it was better to be a moderating force within them than a self-interested critic outside.

In bilateral resources diplomacy, it would be natural to look to Australia-Japan relations as a touchstone. At this stage, however, the effort is hardly rewarding. When the then Japanese Prime Minister, Mr. Satoh, visited Australia last year in the dying days of his term in office, there was an apparently relaxed atmosphere but a curious lack of definition. Broadly-stated agreements were reached on long-term coal supply (including, for the first time, steaming coal), joint investigation of uranium enrichment techniques suitable for Australia and feasibility studies for possible oil-from-coal plants. Little has happened since, though each side still likes to give the impression that it might.

Each, of course, has its problems: the economic downturn in Japan, the political and legal wrangles affecting so many resource policies in Australia. An added note of caution has been

introduced with restrictive import policies adopted on both sides—in Japan's case against Australian beef and, on the Australian side, against Japanese cars. There seems no reason, however, to doubt the efforts of both Governments to avoid over-dramatising the problems, which they see as short-term.

A second aspect of the current phase of policy is a consolidation process, marked by a spate of new trade, cultural, scientific and technological agreements. They, too, are not long enough established to bear considered judgments.

The real problems for the Australian Government at the moment are smaller-scale and closer to home. The eruption of Portuguese Timor has found the Government with no constructive policy to offer, and intense torn between relations with Indonesia and support for the general principle of self-determination. Despite the effort and money expended in the past few years, relations with the South Pacific and Papua New Guinea are far from smooth.

CONTINUED ON PAGE XIV

FINANCING THE DEVELOPMENT OF AUSTRALIA'S RESOURCES

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Budget spells out economic strategy

RARELY HAS an Australian shared this view, too, though income. There is a minimum in this Budget will still rise by at least 43 per cent. (as against 54 per cent. in 1974-75), or \$2,612m. The supposedly "radical" nature of the reforms is difficult to see. But the changeover does have a useful political advantage for the Government. It will not operate until the second half of the year so that the full-year effects will be compressed into six months and exaggerated by the fact that pay-as-you-earn deductions will no longer be over-paying to get a big refund cheque later. So the apparent cash benefit will look quite handsome to the most favoured groups.

Mr. Hayden, though always a strong voice in Cabinet economic discussions, had been Treasurer less than two months by Budget night. His predecessor, Dr. John Cairns, had dropped in that time from the Treasury and the Deputy Prime Minister to the backbenches of Parliament and without ever having presented a Budget. Mr. Cairns had been pushed aside to make way for Mr. Hayden, only three months after presenting the 1974-75 Budget which, by then, after a series of sweeping policy reverses, was a document of little more than historical value.

With the turmoil that accompanied the quick change-over at the Treasury, the Government saw the collapse of business confidence, unemployment rising to over 4 per cent, inflation at around 17 per cent, and, because of its direct spending attempts to stave off the recession, a 1974-75 Budget deficit of \$2,280m. If the various programmes that caused such a deficit were to continue, the figure for 1975-76 would be twice as high. Dr. Cairns, among others, said it should be the choice between inflation and unemployment as a first priority and people must come first. But the Opposition and business spokesmen seemed to have convinced the public that the first principle must be "cut Government spending" (without saying where to cut). And it was thought that the Opposition, of course, might use the Budget as the pretext upon which to force another election if they could make out a strong enough case against it.

Framework

Mr. Hayden's response to the problems besetting him is a subtle blend of mostly orthodox measures within a totally orthodox framework. "Inflation," he accepted the advice of its own proclaimed enemy. We aim to curb it by a firm, but not excessive, reduction in the nation's productive capacity rapidly rising inflation. The will run down and job opportunities will diminish. The OECD had taken pretty good view in a pre-Budget study of the Australian marginal rates for the lower economy, coming down from 40 per cent to 30 per cent. The Government's side of inflation control as meant did this, but compensated the first priority. OECD thought with an ingenious new system the Australian recession had of tax rebates to replace bottomed, though it found the previous scheme whereby recovery period difficult to pre-claims like education costs and diet in both shape and duration, the maintenance of dependants Mr. Hayden and his advisers were deductions from taxable

income. There is a minimum in this Budget will still rise by at least 43 per cent. (as against 54 per cent. in 1974-75), or \$2,612m. The supposedly "radical" nature of the reforms is difficult to see. But the changeover does have a useful political advantage for the Government. It will not operate until the second half of the year so that the full-year effects will be compressed into six months and exaggerated by the fact that pay-as-you-earn deductions will no longer be over-paying to get a big refund cheque later. So the apparent cash benefit will look quite handsome to the most favoured groups.

Indexation

For business, there was an across-the-board reduction of 2.5 per cent. to 42.5 per cent. in the general rate of company taxation, plus a continuation of doubled rates of depreciation due to have cut out last June 30. In both cases, there were commendations before the Government for indexation schemes to compensate for inflation. So far as the general company tax was concerned, the Government decided that it was public sector competition for resources is eased. "The public must be prepared to accept the loss of revenue involved. And the sector has played an important

continued double depreciation part so far in stimulating the movement towards recovery from the recession," said Mr. Hayden. "We expect that as the expansion of public sector activity is restrained, the opportunities for private sector expansion will improve, though full responses to greater room for growth may take time to develop." In other words, the Government is not prepared to take the risk of the economy dropping from a recession into a boom through over-stimulation. The risk, though, is that it may not improve at all with the degree of stimulation chosen. Business investment expenditure is already the weakest area of demand in sight and there must be strong doubts that the meagre stimulus of the Budget will do much about that.

Mr. Hayden's time-scale for doing anything effective about inflation is two to three years, but it would be totally unrealistic to expect that the Budget-defined policies will continue unchanged for that long. There will be several key testing points and one of them must be the capacity of the private sector to take up the slack in the economy as the pressure of strategy is continued wage restraint. Their one real instrument for achieving it is to persuade the Arbitration Commission

Living costs

Now there is a new element. A round of cost increases is about to be induced by the Government and its agencies which will act directly on the consumer price index—the postal and telecommunications charges, beer and spirits, petrol and tobacco. But the Government is insisting that they should not be counted in living costs for purposes of wage adjustment. "It would be self-defeating," said

Mr. Hayden, "if the system of wage indexation were to attempt to insulate the community from tax measures designed to redistribute resources for the benefit of the community in the form of improved public facilities in fields such as health, education, welfare, personal benefits, urban improvement and so on." These things, he said, made a real improvement in people's living standards and were therefore "a non-money form addition to their incomes." For all its economic logic, the argument will be hard to sell to the many unions unprepared for it—especially before the tax measures start to operate.

Whatever its shortcomings, however, the Budget has already achieved its first goal: Mr. Malcolm Fraser, the Opposition Leader, has conceded that it is not the stuff to justify another use of the Senate to force general elections. A good section of the Press gave it guarded approval and there has been little backlash so far from within the Labor Party about the cutbacks in implementing its favourite programmes; without question it will come. Two months should show whether the broad Budget strategy survives or whether it goes the way of last year's.

Kenneth Randall

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Elections

CONTINUED FROM PREVIOUS PAGE

it the Whitlam way, they have who had devised and presided followed the leader. There was over the party's industrial relations policy. The new Parliamentary party's meek endorsement of Mr. Whitlam's half a dozen right-wing or action in dismissing Dr. Jim factually uncommitted. Cairns from a ministry whose members are the sole prerogative of the Parliamentary Party, personally indebted if not committed to Mr. Whitlam, and two months ago, came after a period of unprecedented criticism of Mr. Whitlam from within his own ranks.

This year's Budget has brought home to the Labor Party the full force of the grim, constant struggle that lies ahead if they are even to emerge from the next elections as a credible opposition and avoid another generation in exile. The general formula of the Budget was exactly as prescribed from the bastions of capitalism, give or take a few points of emphasis. To a very large extent the "programme," that reverend manifesto that carried them into power three years ago, has had to be suspended. The most severe effects of reduced Government spending are in welfare and reform areas, the benefits are for the affluent middle class and, theoretically, the business community. Parts of the Budget speech were like a valdictory.

"This Government began great programmes of change in an image of 'responsibility to our society,'" said the Treasurer, Mr. Bill Hayden. "The Labor's reforms and innovations are ready-made, true, sadly, that there was not only in terms of real income but in terms of the facilities provided to the whole community in health, education, in social welfare, or reform areas, they will not be reversed. Now we propose to pause to take stock of the achievements of this Budget is a synoptic of the government's vision and restraint rather than an further expansion of the public sector."

The change was signalled by Mr. Whitlam's extensive mid-Cabinet reshuffle and the removal of the "discredited" colleagues led by Mr. Jim Cairns and Mr. Clyde Cameron. Kenneth Randall Canberra Correspondent

AUSTRALIA VI

Gold Fields



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Conflict over minerals and energy

A ZONE of almost ceaseless strife throughout Labor's three years in office has been minerals and energy. There is still no sign of a let-up in the battle between, on the one hand (and it has often seemed, singlehanded), the Minister for Minerals and Energy, Mr. R. F. X. Connor, and, on the other, almost the entire 200m-ton-a-year extraction industry. There are short tempers and grim faces on both sides, and mining remains one of the areas of least clarity as regards future structural and foreign participation.

All this is notwithstanding such striking facts as that considerable order has been established where it was sadly lacking: that sections of the industry are doing extremely well at present; and that Mr. Connor himself has been nothing if not consistent. Each of these bears looking at.

The Government in Canberra, which previously took little interest in minerals other than uranium, now has a complete overview of mining activity. As a result, among other things, it has been possible to "mediate" between the colonies of Queensland and New South Wales, so that the former (which are low-cost) have in effect stopped setting the world price at an uneconomic level for the latter.

made a contribution, albeit slight in comparison with the favourable turn of markets and exchange rates. His influence has been clearly seen in the latest Budget's export levy on coal (\$A8 a ton on high-grade coking varieties)—a blunt tax weapon if ever there was one. The future may still yield an "excess profits" tax, the possibility of which has been more than once mentioned by Mr. Connor.

Above all, Mr. Connor probably hopes to be remembered for the brand of economic nationalism he has sought to impress on the mining industry. This is where the battle rages on.

Mr. Connor's objective, in his own words, is to "achieve at least majority Australian ownership in the field of general minerals and complete Australian ownership and control in respect of fuel and energy resources."

The first part of this is not necessarily an impossible dream. Although 60 per cent. of mining is controlled by foreigners, and foreign participation will continue to be needed in exploration and development, virtually all mining companies can be counted on to give up a majority of voting shares to the Australian public if they have to. That has if anything become clearer in the past year.

However, Mr. Connor does not content himself with that as a long-term objective. He has been determined not to allow foreign investors into controlling positions in new ventures. And he has set himself the much higher standard for energy sources—in principle oil, natural gas, uranium and coal.

It may never be completely clear why Mr. Connor's policies toward foreign capital are so tough. It may be (as he tends to claim) that Mr. Connor sees himself as the guardian of honeypots which will immediately attract plunderers if he relaxes his vigilance, combined with an essentially personal (and some would say quirky) judgment that some minerals (for example, oil) are more precious than others. Or he may (as some critics assert) be using economic nationalism as a Trojan horse for State participation in mineral development.

Whatever the truth, the posture is extreme in relation to present realities. That it is also insupportable, is strongly suggested by the fact that the Government is visibly in the act of withdrawing from Mr. Connor's position.

The firmest evidence of a more accommodating attitude,

on the touchy subject of oil and gas, appears in the recent New York loan prospectus. This said explicitly: "The Australian Government's policy does not exclude foreign participation in the development of oil and natural gas reserves provided that Australian interests, private and public, are given every reasonable opportunity as to the development of discoveries made by foreign explorers."

The official attitude on other minerals is implicitly less protective. Of these instruments, the seabed law has been contested by the States and the courts have yet to give a ruling.

The PMA was declared invalid due to a procedural error in its enactment, but Mr. Connor the same day (June 24) figures, it was \$A10m. in 1973-74 and \$A98m. in 1974-75, which

The official machinery for dealing with this has all been unveiled, Mr. Connor has said. It is to be found in export and exchange controls (which the Labor Government inherited, though they had not been used for these purposes), strengthened Australian Industry Development Corporation, the Pipeline Authority Act, the Petroleum and Minerals Authority (PMA) legislation, and the Atomic Energy Act.

Of these instruments, the seabed law has been contested by the States and the courts have yet to give a ruling. The PMA was declared invalid due to a procedural error in its enactment, but Mr. Connor the same day (June 24) figures, it was \$A10m. in 1973-74 and \$A98m. in 1974-75, which

MINING EXPORTS†

(\$m.)	1972-73*	1973-74*	1974-75†
Processed	306.3	429.6	526.7
Unprocessed	944.6	1,112.6	1,579.3
of which			
Iron ore	439.1	498.5	649.2
Coal	290.8	327.4	558.9

* 12 months to end-June. † Except gold. ‡ 12 months to end-March.

as the mining industry hastened to point out, was in real terms the lowest since 1968-69. The industry also noted that more than one-third of money committed to exploration in 1973-74 had come from 32 companies, "which fund their exploration programmes from overseas." By this it no doubt wished to convey that foreign participation is still a vital component of exploration activity.

This at least, is common cause. Mr. Connor's Department puts it grudgingly, but clearly enough: "Government seeks Australian participation in mineral exploration. It believes, however, that because of the risks involved, and Australia's limited capital resources, it is more important to secure a high degree of Australian equity participation at the production stage."

The Minister's blueprint seems to assume that exploration will continue at a satisfactory level and that when companies are successful they will take the results to the Government. At that point a deal would be worked out, to give effect to the principle that Australians would have a majority stake (or 100 per cent., Mr. Connor would say, if the discovery is oil, natural gas or uranium—or coal).

that the law would be put through Parliament again). Mr. Connor undoubtedly has other ambitions for the public sector, as well. At the minimum, he envisages passive PMA participation in mining projects, that is, to make up the desired Australian stake in partnership with the private sector. In fact, there is little doubt he would welcome a large and active PMA involvement in a variety of projects.

Mr. Connor also believes the public sector has a big role to play in the processing of minerals in Australia. This covers such projects as uranium enrichment and oil-from-coal, and in principle others too, in line with the Department's stated objective, which is "the maximum level of mineral processing consistent with the rational use of resources."

The Minister has explained that the Government's recent attempts to raise large sums abroad (up to \$US4bn.) related directly to these policies. The money would, in his view, have made Government entirely credible as a force in the country's mineral development.

So far, Mr. Connor. The mining interests see the picture differently. In general it is no doubt fair to say they do not like economic nationalism, "creeping socialism" and Mr. Connor's

way of doing things—in rough the reverse order. Mining industry leaders (with these days show a marked reluctance to be quoted) tend to claim that the biggest problems are practical. For example, it is foolhardy to spend a lot of money on exploration when there is no knowing how the company comes up with commercial discovery.

Companies need to know, advance what stake they will be allowed to keep in the project. They need to know they will be allowed to make the project, since that it is they are in business for. They need to know that the investments in itself from pressures to localise, else the conditions it expect to have to comply with (what percentage of ownership would do?).

In each of these respects mining companies claim to be insecure. The few case studies available suggest they have good reason. Time and money has been spent in seeking official approval for acquisitions, in putting up proposals and looking for partners—all without receiving a foundation for future activity. Even where approval have been forthcoming, it taken months to get them, which time the proposals have sometimes ceased to be attractive.

In general, there is a suspicion that Mr. Connor would somehow scoop the lion's share of prospect worth having. While there are also admitted tales of foreign licence-exploiting minerals which control by virtue of a saved the ventures by injections of capital.

Mr. Connor's attitude plainly that the minerals still safely in the ground there is nothing to worry about. Yet it seems no wonder that Australian mining has a safety net in the future for capital will in fact be less likely to flow where wanted (in the capital market, news travels fast).

The problem goes deeper recent submission to the industries Assistance Council by Constance Rinfold. Australia estimates that investment of \$A4.25bn. is needed in the next five years (including \$A2bn. in oil and \$1.4bn. in iron ore). Australia merely to hold its share of world market. Much larger sums may be required if new deep level mining prospects are discovered and if processing activities as uranium enrichment as steel mill are to go ahead. Markets seem unlikely to running with such funds.

The Minister evidently not care that his actions undermine the confidence in private capital market. Thinking is probably that does not matter, because State will step in where private investors (including Australian) fail to make the contribution which is desirable in national interest.

Whether Government presently equipped can do such a responsibility is a question that probably does not go into. The key is that Australian Government not at present have a support for State control factors of production—and has never been a campaign in what has always been a highly market economy.

Peter Dun

CONTINUED ON NEXT PAGE

Natural gas

The co-ordinating hand of Central Government has also been seen in the building of the natural gas pipeline from South Australia to Sydney. When this is complete next year gas will be an effective substitute for much of the heavy crude oil (15m. kilolitres last year) imported for industrial purposes. Ultimately natural gas distributed nationally is expected to provide 19 per cent. of primary energy (only 7 per cent. now).

These are likely to be permanent monuments to Mr. Connor. Other memories may be no less enduring. Iron ore exporters are currently reaping vastly higher profits; coal sales, also mainly to Japan, are about to overtake iron in economic significance; bauxite extraction remains one of Australia's fast-growing activities. The Minister

Foreign capital directives

EVERYBODY SEEMED to think it would become easier for foreigners to invest in Australia in the past year, but on balance it does not look as though that is what happened.

Several pieces of evidence have to be placed on the scales. Those which suggest barriers to foreign investment are admittedly impressive.

In the first place, the Government has drafted legislation, now halfway through Parliament, to give permanent form to the law on foreign takeovers passed in the last days of the Liberal Government, in 1972. The new draft is avowedly intended to extend the scope of the law, which at present only applies to acquisitions of shares and does not affect transactions between foreigners. The present law was originally given a life of only one year, but has been twice extended by the Labor-controlled Parliament.

The new legislation will police takeovers of assets other than shares (such as mining rights), increased stakes in companies already under foreign control and transfers from one foreigner to another. In addition, there will be an obligation on foreigners to give 40 days notice of an intention to acquire 15 per cent. or more of a company's equity, where at present the Government has to initiate proceedings.

Secondly, the Government began scrutinising all other kinds of foreign investment in June last year, establishing the Foreign Investment Committee (FIC) for this purpose. The FIC is purely advisory with no legal standing, but the Government has recently amended the Banking Act to provide for

regulations giving FIC assured —as opposed to rather informal —access to exchange control information.

FIC thus has the look of a permanent instrument designed to monitor capital inflows thrown up on the exchange control screen. It is interdepartmental in composition, but effectively an agency of the Treasury.

Once a capital movement is looked into, the introducers may

be required to give up to 11 items of detailed information, the form of the questionnaire depending on whether the proposed investment will be industrial or in property. In practice, intending investors often do not wait to be asked, but consult the FIC before bringing capital into the country (this because they have other uses for the money in the period while FIC is making up its mind).

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AUSTRALIA VII

Beef disaster for the farmers

THREE YEARS AGO Australia made for the fact that the produced 1.4m. tons of beef for the first time, and shipped 40 per cent. to achieve record export earnings of \$A653m. Australians told themselves that by 1975 they would be exporting 70 per cent. of an estimated total production of well over 1.5m. tons. It has not worked out like that. Three-quarters of the way through 1974-75 they were exporting less than 30 per cent. of beef production, which farmers were desperately trying to hold below 1.5m. tons. Export revenue was running at an annual rate of only \$A320m. Domestic prices had collapsed.

This is the disaster that has engulfed the farm sector in the past year, striking a mortal blow at profitability and yielding a harvest of misery over a large part of the country. It has many of the ingredients of a classic agricultural crisis— including the fact that in the short run it does not appear to be self-correcting, but is likely to get worse as the cattle population grows as a direct result of the efforts now being made to keep animals off the market. Unofficial estimates give as many as 3m. head for the total herd (of which 3.7m. are dairy), about 28 per cent. more than three years ago.

There is a natural temptation to think (or hope) in terms of a temporary dip in the graph line of steadily rising world demand for food. However, top agricultural economists do not seem to take this view. More specifically, they hold out little hope that beef producers will succeed in avoiding the age-old sequence of alternate gluts and shortages which are the bane of so many agricultural markets.

Reduction

In retrospect, the origins of the present surplus are to be seen in the excessive optimism of the preceding few years, when decisions to build up the beef herd were taken. The next phase, beginning some time next year, is only too likely to be a reduction of the herd again.

That would partly be the result of farmers feeling that they had mistakenly put their faith in beef, a view greatly reinforced by the need to realise cash and the ever-present threat of drought. By 1980 prices could be sky-high and the cycle could be about to start all over again.

It is sobering for the agricultural economists to contemplate such a sequence, which appears to show how little they have achieved in their efforts to curb the excesses of the markets. They claim that a beef surplus was foreseen, but that it has proved much larger than expected.

No allowance could have been

made for the fact that the Japanese market would be completely closed to imports for a year, during which period Australia alone had reckoned to supply at least 100,000 tons. Japan had encouraged Australia's beef growers, but had failed to work out a strategy to accommodate its own high-cost producers, other than by maintaining the world's highest consumer prices. The effect of these, naturally enough, was to choke off demand and create a man-made surplus in the cold stores which has yet to be fully worked off.

Closure of the EEC market to imports from all sources in the second half of last year produced all the consequences predicted when it happened (though unfortunately not much beforehand) including the fact that Australian producers have yet to regain anything like their traditional access to the British. Beef exports to Britain, at one time a 100,000-ton-a-year business, were down to 11,000 tons in the nine months ended March.

Only slightly less serious from Australia's point of view, hard-hit South American and other traditional suppliers to the continent have encroached on Australia's preserves in their search for alternative markets. They even managed to land more canned meat in Australia, imports rising 50 per cent. by value to more than \$A4m. in the year to end-June last.

There are a few blessings to count this year, including the American market quota (voluntary) of 279,000 tons announced in the March quarter (albeit smaller than in some recent years). A sale of 40,000 tons to Russia, and reopening of the Japanese market in June. Initially this was to admit only a token 10,000 tons, but the quota will apparently be increased to 25,000-30,000 tons within 12 months.

In addition the industry's problems have been referred to the Industries Assistance Commission (successor to the Tariff Board) and some Government money has been set aside to help producers with low interest loans (the latest Federal contribution is \$A27.6m. in this month's Budget).

However, all this is little more than a gesture, which does nothing to discourage farmers from (in some publicised cases) shooting their animals and allowing the carcasses to rot in the fields, rather than carry the cost of grazing or even transportation to market.

In cash terms, preliminary figures put the value of cattle slaughtering down 54 per cent. in 1974-75 and show beef exports dropping from 20 per cent. three years ago to under 10 per cent. of rural exports of

around \$A3.8bn. in the past year.

The rural sector as a whole appears to have come through 1974-75 with a 9 per cent. fall (to \$A5.9bn.) in the value of production and a small increase on the previous year's \$A3.5bn. of rural exports. This may not look too bad for a time of worldwide recession, but there proves to be not much in it on which industry and Government strategists can congratulate themselves.

The most stable component of the rural economy was the wheat industry, with production valued at around \$A1.2bn. for the second year running and exports recovering sharply in both volume and value as a result of the combination of the previous year's bumper crop and high world prices.

Reversed

The other upside factor was sugar, exports of which at the three-quarter mark (end-March) were running at an annual rate of \$A653m., against \$A223m. in 1973-74. This was solely the result of last year's wild upswing in the world price which has more recently been equally strongly reversed.

The sphere in which Australia's planners tried hardest to tame the markets was wool. With full Government backing the Australian Wool Corporation intervened to buy 41 per cent. of offerings between October and April, drawing on \$A289m. of public funds and ending up with massive stocks. At the end of March the Corporation held more than 1.5m. bales and another 900,000 were unsold in brokers' stores, held back by a 33 per cent. fall in average prices (the floor was realistically set well below 1973-74 ruling levels).

There is no doubt this policy did limit fluctuations, though hitting the wool cheque and exports, which had topped \$A1bn. two years running but dropped to \$A725m. (annual rate) in the nine months to March.

Unfortunately, however, there was a failure of nerve in May, when the Cabinet decided to lower the floor price based on 250 cents a kilo wool of stated quality. This decision was promptly reversed by the party caucus (to which Labor Cabinets are accountable), but by then the damage had no doubt been done. In future, wool buyers may think they have a sporting chance of getting supplies below the floor price, or the possibility will encourage them to hold off, which could make supports more difficult to administer.

This year the Government has allocated \$A80m. and agreed to guarantee another \$A70m. of bank borrowings. But it would seem more realistic to think of

it as an open-ended commitment. Wool prices appear to be recovering slightly, but the market will in all probability be nursed for some time.

Other main components of rural production, mutton and lamb producers are estimated to have suffered a 43 per cent. slump in gross receipts in 1974-75, again because of world over-supply and partly due to rebuilding of flocks. Australia's sheep population declined steadily from 180m. in 1969-70 (the tail-end of the last slump) to 140m. in March 1973, but has apparently increased by anything up to 10m. again in the past 30 months. Britain and Canada have both taken less Australian lamb at lower prices in the past year.

Overall the farm sector is badly demoralised, especially because of the miscalculation which led farmers to drop what they were doing in favour of meat production. Last year's Green Paper pointed out that commercial farms specialising in dairy and poultry had declined by a third since 1960, while the number of specialist beef producers had more than doubled.

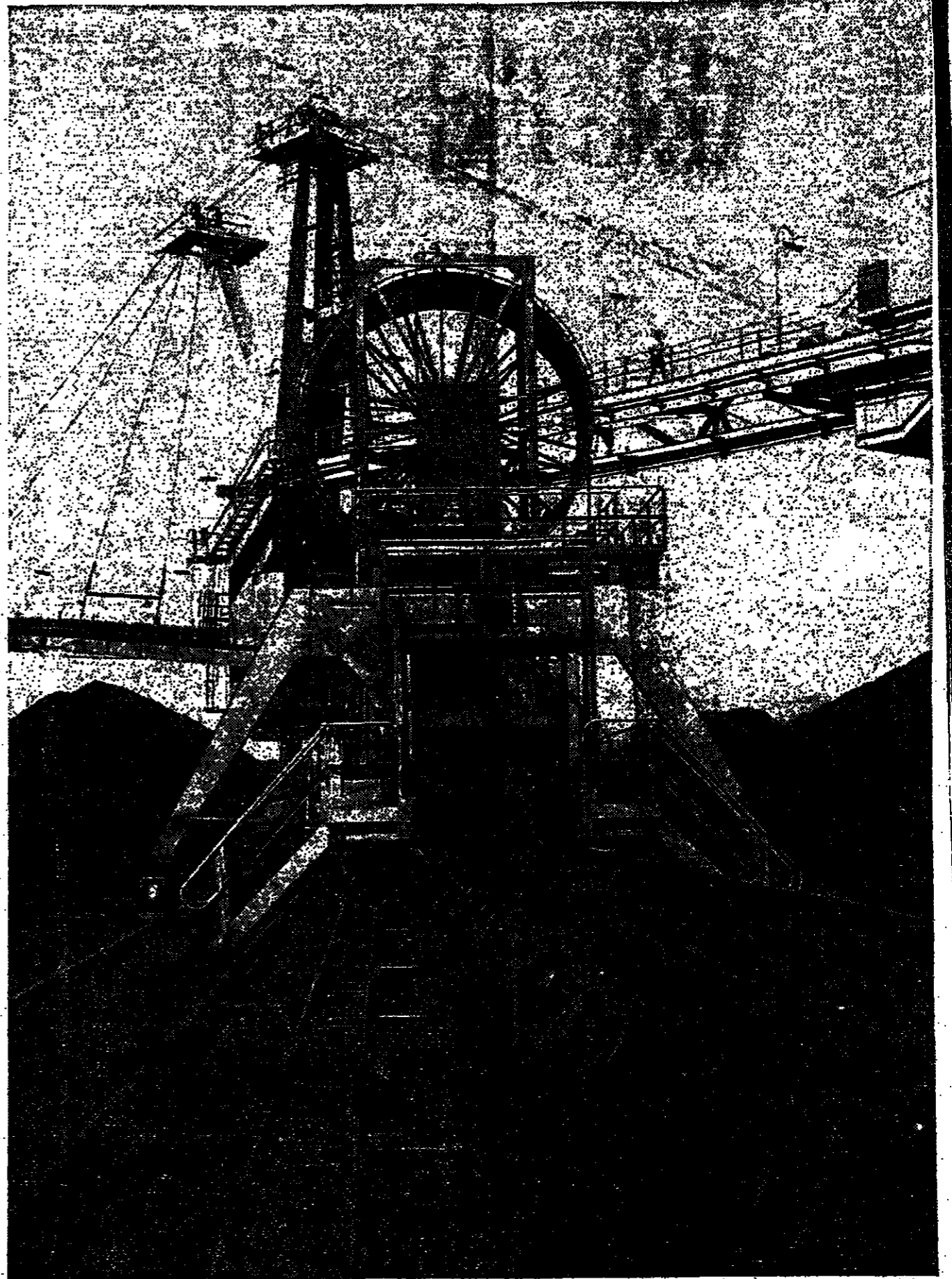
Priorities

In addition, most farmers consider the Labor Government unsympathetic, and it is certainly true their problems are not among its priorities. Casualties of the beef crisis have included Northern Agricultural Development Corporation, a public company, suggesting that size and access to capital markets are not wholly adequate cushions.

However, the larger picture is that the structural change which reduced Australia's commercial farms by 10 per cent. to 191,000 in the 1960s is continuing. Simultaneously, as farms have got bigger and increasingly mechanised, numbers employed on the land have continued to decline, so that the total is now below 300,000 compared with 500,000 in the 1930s.

This has slowly made for a more soundly based industry according to the experts. In spite of everything they still see a future for both wool and meat, with Australia having the long-term prospect of competing with substitutable textiles and proteins. Beef in particular, being grass-fed over an abundant expanse of countryside, should some day come fully into its own. However, after the present agonies, it is probably true the herd will not be built up again in a hurry. And on the basis of the income averaging for which farmers are begging the tax man (so far in vain), it will be hard-earned money all the way.

Peter Duminy



Iron Ore from Mt. Newman being stockpiled at Port Hedland.

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Capital

CONTINUED FROM PREVIOUS PAGE

is shaping up to be a formidable instrument. Its officials say that all concerned have been to cooperative—which means FIC invariably gets its way, which is not surprising considering the sort of enemies an investor could make if he decided to try and buck the system.

The third main hindrance to foreign investment has been the chorus of Government voices, the loudest that of Mr. Rex Connor, Minister for Minerals and Energy, apparently preaching economic nationalism with as much fervour as ever before.

All this has to be seen in perspective. As regards takeovers, the machinery has been overhauled not because of any public outcry for stricter control, but quite truthfully because the existing law is so makeshift. As the Federal Treasurer explained when he unveiled the new provisions last December, they mostly represent the benefits of experience.

In addition, an apparently numerous provision, such as that requiring prior notification of a takeover, merely formalises what has become standard practice for obvious reasons. Foreign bidders hardly enough to have arrived (a diminishing band), these days usually proceed by way of prior agreement (with the victim and Government) rather than run the risk of having a successful bid undone by Federal Treasurer later on.

Establishment of FIC, in turn, mainly signified that Australia is serious about claiming the right to decide whether to admit foreign investments. This has just been unclear to the world while the sitting status consisted only of the

takeover law with its numerous loopholes.

To give effect to the principle, it is even probable that the machinery will have to be gone over again. For example, there are still gaps, in that a foreigner could raise money locally to buy Australian property without the authorities necessarily knowing about it. It is also a possibility that FIC's access, to exchange control records will be challenged in the courts, on the argument that the Banking Act (and regulations) are being used for purposes not intended by Parliament.

Selective

However, there is another side to the coin. The Australians, including those directly involved in operating the machinery, have not been saying that foreign capital is unwelcome. Almost everyone in fact has declared that it is needed for Australia's future economic development (by no means inconsistent with the mood that Australians want to be selective and not accept every foreign dollar that chooses to come along).

The most recent words on the subject which have the imprimatur of the Government (and which in fact were authorised at the highest level) are contained in the prospectus issued for Australia's \$US.100m. borrowing in the New York market in June. This said:

"In practice, there is no general prohibition on foreign investment in Australia. The Australian Government has

adopted a selective approach towards foreign investment to ensure that foreign capital inflows are associated with industries which add to Australia's resources and bring benefits to the nation.

"The Government has a firm policy objective of promoting Australian control of Australian resources and industries. Generally, this policy is applied in a pragmatic and flexible way.

This means, in general, that Government is genuinely willing to listen to suggestions from intending investors, the main exceptions being banks and other financial intermediaries, insurance companies, radio and television broadcasters. There remains one other special case, namely natural resource developers, who have to run the gauntlet of prior (or supplementary) approval by the Department of Minerals and Energy.

To be sure, even with the goodwill that exudes from the Treasury, business interests in a position to introduce foreign investment are far from happy. They say a flexible policy has definite advantages, but these may be outweighed when there are no known guidelines. Wholesale pragmatism means investors embark on the sometimes laborious and costly process of proposing capital projects without having any idea whether they are likely to succeed.

It is not even clear that existing investors may expand their operations without hindrance. Officialdom tends to be sympathetic on this. It is suggested that guidelines will emerge as experience is gained and that it would have served no purpose to have laid down criteria

which afterwards proved not to be adequate. Meanwhile it seems that investors would do well to study the Canadian situation: at least they can be sure that Canberra has been taking a keen interest in it.

From Australia's point of view, the problem is that it may never know how many investors (some of them no doubt desirable) it has frightened away, for example, the ones who never show their faces.

Resilient

The short run evidence is that private investors have proved quite resilient. Corporate sector direct investment (other than ploughback of profits) dropped to \$A40m. in 1972-73 from a \$A465m. average for the previous eight years. Then it recovered to \$A147m. in 1973-74 and was up to an annual rate of more than \$A400m. again in the first half of 1974-75.

However this does not mean that Australians have had the optimum choice.

Refining the policy becomes all the more important if it is regarded as a permanent feature of the Australian landscape. There is every reason to think that is what it is. A change of Government may well make some differences, perhaps mainly in the minerals field but also probably in downgrading the role (as an alternative capital provider) of the Australian Industry Development Corporation. However, there will never again be a free-for-all as far as admission of overseas capital is concerned.

Peter Duminy

BUSINESS IN AUSTRALIA?

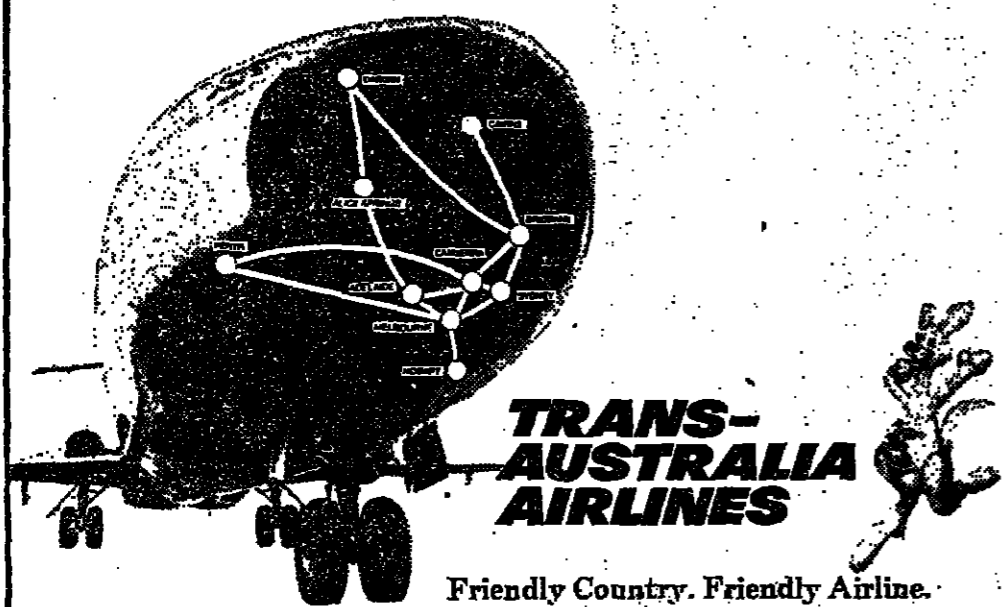
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AUSTRALIA VIII

Sound external trade position

AUSTRALIA'S EXTERNAL trade has had its problems in the past 12 months but, as throughout the three years of Labor Government, the difficulties have related to specific components, not the overall balance. Overall trade has shown no sign of relapsing into the chronic deficits which occurred up to the late 1960s, the point at which they were wiped out by rapidly expanding iron ore and coal exporting industries.

In the past three years the underlying structural improvement has been sufficiently firm to carry the economy over the combined hazards of revaluations, across-the-board tariff reduction, and galloping domestic inflation.

Attempts

In 1974-75 it is true there have been attempts to limit these challenges. Last September 25 the Australian dollar was devalued by 12 per cent. and thereafter floated, so that it is now worth about \$US1.28, against \$US1.48 a year ago. According to OECD calculations (which take into account depreciation of the U.S. dollar as well as relative movements of other currencies) Australia's effective revaluation in relation to its trading partners, from rates ruling in March, 1970, is now a mere 2 per cent, having been as high as 15 per cent. in January-March, 1974. (The currency had been worth \$US1.19 prior to the three revaluations of December, 1973, and February and September, 1974, the second of which was, accurately speaking, American devaluation.)

As regards formal protection, the stage was set by the 25 per cent. cut in tariffs instituted in July, 1973, preceded by concessions (including removal of most quota restrictions) to developing countries. In the past year this was partially reversed, to the extent that temporary protection was introduced covering about 7 per cent. of imports. The process

began on October 18 when quota restrictions were imposed on footwear for 12 months.

Since then there have been temporary tariff quotas and/or import ceilings on a wide range of synthetic yarns, fibres and fabrics (December), shirts and motor vehicles (January), and several other clothing items and steel plate (March). In addition, a temporary duty of an extra 10 per cent. was put on tyre imports.

All of this has obviously had some effect on Australia's external balance sheet, but that has been largely incidental in the sense of having been neither required nor specifically intended. Domestic considerations have been paramount. Devaluation was dictated by an extreme crisis of confidence in the business sector (and came as an immense relief to many exporters who had previously seen their profits pared by upvaluations).

More obviously if anything, selective import restrictions have been adopted to counter unemployment and other problems in the industries concerned. As a package, the measures coincided with other forces making for stronger trade showing, which have therefore been reinforced.

The extent of this has yet to be fully seen. Calendar 1974 produced the smallest trade surplus of many years, only \$A80m. from exports which had risen 15 per cent. to \$A7.5bn. and imports 64 per cent. higher at \$A7.4bn.

However, in the next six months (January-June 1975), exports increased to an annual rate of \$A9.5bn., 32 per cent. up on the corresponding months of 1974. Imports, on the same

basis, rose 29 per cent. to \$A7.6bn., giving a large favourable balance. In fact, imports dropped nearly 13 per cent. in value and probably by more than 30 per cent. in volume from one half-year to the next.

The suggestion is that some such turn-round of both imports and exports was indicated by general economic conditions at home and abroad. Imports grew strongly until last September very largely because it was (until shortly before then) official policy to dampen the fires of domestic inflation by opening the import tap as far as it would go. The OECD estimates that for the nine months import volume was 29 per cent. higher than for the corresponding period of 1973, having increased by 22 per cent. in 1973.

Squeeze

By September this domestic policy had been drastically changed, being replaced by a tight monetary squeeze which was certain to curb the demand for imported goods in line with its effect on aggregate demand in general.

That is what occurred, from October on. When the Treasury reviewed the March quarter, it found there had been "significant falls in imports of chemicals, manufactured materials (particularly iron and steel) and machinery and transport equipment." Oil imports, supplementing domestic production (the country is 70 per cent. self-sufficient), have settled down at around an annual cost of \$A700m., with prices and exchange rates at current levels.

The decline in imports may

just about have run its course now, but even if that is so, the official expectation is that the import bill will be lower in the fiscal year ending next June than the \$A3.2bn. recorded in 1974-75. That would be despite possible increases of more than 10 per cent. in import prices forecast by the OECD, and that the OECD appears to expect import-export prices to move against Australia on balance.

Somewhat different considerations apply to exports. Australia's export performance in 1974 was visibly held back by a sharp decline in world meat requirements, adverse climatic conditions affecting sugar and dairy industries, and a virtually nil increase in Japanese purchases of iron ore (total shipments rising 11 per cent. in volume, against 30 per cent. in 1973).

Immeasurably the main adverse factor was the world trade recession, while there is no doubt the September devaluation has been mainly responsible for the subsequent recovery, which is largely merely the result of expressing receipts from world markets and fixed price contracts in Australian dollars.

The main qualifications to be made to these generalisations are that wheat and sugar have had a bumper year while coal and iron ore exporters succeeded in negotiating higher prices, mainly on the basis of cost recoupment (under agreements completed, no doubt luckily for themselves, before devaluation).

In the case of iron ore, the Japanese steel mills have from September been paying 22 per cent. more on average for their long-term supplies (the bulk of the 65m. tons, out of total ex-

ports now running at around 85m. tonnes a year, shipped to Japan).

The point about exports in general is that there will be considerably more growth ahead once major economies, not only Japan's, begin to pick up again. That would stand to be in both real and value terms, granted that the OECD appears to expect import-export prices to move against Australia on balance.

The structure of Australia's foreign trade has shown little further change over the past few years. Exports in 1974 consisted as to 33 per cent. of minerals and other crude materials (other than fuels), with farm products accounting for 44 per cent. (or 30 per cent. excluding processed items). The main feature of last year's markets was that the EEC took only 16.3 per cent. of exports, compared with more than 20 per cent. in 1973. Japan absorbed an unchanged 31 per cent.

Share

The EEC (mainly Britain) remains Australia's biggest supplier, but the percentage supplied dropped below 28 per cent. last year, from 32 per cent. in 1973 and 35 per cent. in 1972. Developing countries have increased their market share from 14 per cent. to 18.5 per cent. over the same period, while the North Americans have 25.3 per cent. and Japan has 17.8 per cent.

Looking ahead, Australians evidently have little cause to worry, provided they do not let their domestic inflation get completely out of hand. That could yet upset a sound external balance.

Peter Dumley

Changes to structure of government

THE STRUCTURE of Australian government has frustrated most prime ministers at some time or another. But few have fretted as much, or tried harder to change it than the present Prime Minister, Mr. Gough Whitlam.

More than half the present Federal Government departments are either new or significantly changed from those the Labor Party inherited when it took office less than three years ago. The number of independent and quasi-independent commissions has grown constantly though some of the first established have already outlived their usefulness and are being allowed to die quietly, new ones are already in the pipeline to replace them.

Business-style corporations and agencies have not grown so fast, but not for want of trying on the Government's part; the growth rate has been held in check by a suspicious, Opposition-controlled Senate. Sometimes, however, not even the Senate has been able to hold the process in check. The Government has written several new chapters in the casebook to illustrate how much can be done by administrative fiat without the direct approval of the Parliament.

Functional

In a major speech towards the end of 1973, Mr. Whitlam said: "All the important changes can be seen as reflections of our new policies. We have brought an emphasis in departmental strength to accord with the emphasis in the Government's administration. In so doing, we have moved in the direction of organising departments on a functional basis, of distributing responsibility in groups which are as homogeneous as possible. This has led, in part, to the amalgamation of departments which is now in process."

In its most important respect, the claim is true. The functional style of organisation now operating in most parts of the Canberra system is, on the surface, at least, easier understood but the upheaval needed to create it and the continued rate of change, make it doubtful that much has really been simplified. Simplicity could come with time for consolidation but the trauma may not have been necessary, anyway.

One of the Government's most important early actions was to appoint a Royal Commission into the whole system of Government administration - a

massive task, undertaken only once before in Australian history but likely to be finished, nevertheless, by the end of this year.

Headed by the redoubtable Dr. H. C. Coombs, former Governor of the Reserve Bank and all-purpose adviser to the last two prime ministers, the Royal Commission on Australian Government Administration studied delivery systems for Government services, as well as the more obvious areas of organisation and methods.

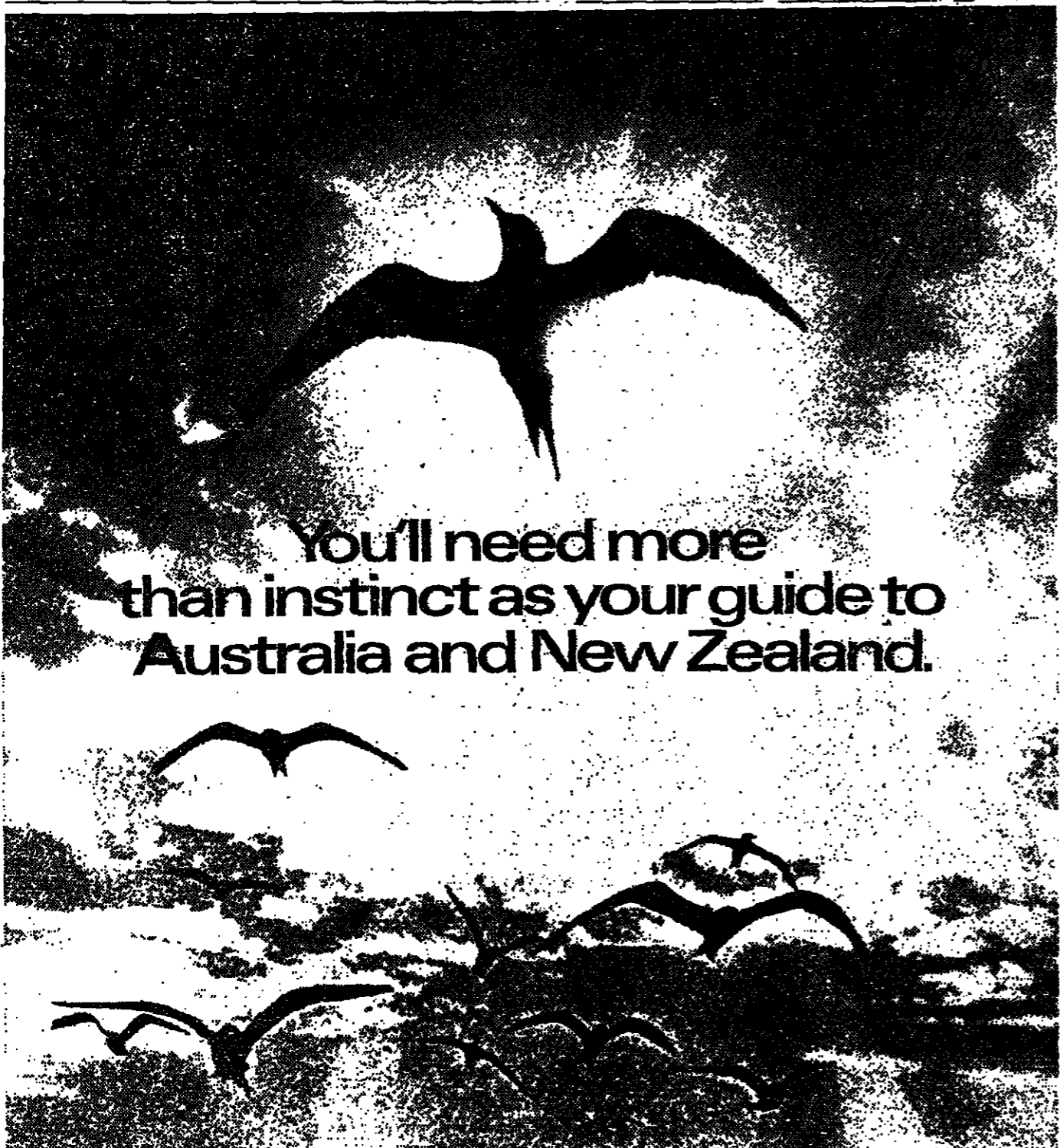
One of the Royal Commission's operating styles has been

shortage of complaints and suggestions.

It would be doubtful if such an objective group as the Royal Commissioners would agree to praise Government performance as they have with Mr. Whitlam's proposition of 1973 that a logical balance could be struck between the numbers employed in a department and the Government's problems and deficiencies found by the customer and only studied delivery systems for secondary on the administrative problems of changing the bureaucratic system. The meeting, he said, were the findings have certainly found no principles he had enunciated

CONTINUED ON NEXT PAGE

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AUSTRALIA X

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The Labor Government has retreated from a policy of actively encouraging wage increases as a method of redistributing wealth to one of seeking a pause in income growth. A complex array of measures have been introduced to this end; wealth redistribution is now being sought through fiscal methods. Retraining schemes abound.

Industrial relations



Mr. Clyde Cameron, Minister for Labour and Immigration.

IN CONTRAST to the first euphoric days, when it actively encouraged wage and salary increases, the Labor Government has retreated from one of the industrial relations area as a fulcrum for income redistribution in Australia.

It is now using a complex series of measures to try to achieve a "pause" in the wage and salary spiral, and is looking elsewhere—to income maintenance schemes, negative income taxes, changes in the progressive tax scale—to achieve its redistributive policies.

Its record in industrial relations is typical of the Government. The pace and implementation of policy has not been geared to the absorptive capacity of the economy. Decisions have been taken without first seeing how they would assimilate with those in other policy areas, or even others in the same area.

At the same time, the other side of the Government's ledger shows many exciting initiatives in the industrial relations area, especially in the manpower field, including retraining.

After 23 years in the electoral wilderness, the traditional trade union base of the Labor Party was determined that its own team would move to enlarge the worker share of the economic cake.

Unlike Britain, the bulk of Australian wage-fixing takes place in the arbitration arena. Australia pioneered a system of compulsory arbitration in 1903, and four years later it developed machinery for an annual review of wage and salary rates, called the national wage case.

Caution

Apart from employer and trade union representatives, the Government also appears in national wage cases. During 23 years of Liberal-Country Party rule, the Government counselled caution, and said any contemplated increase should be "small."

Three months after Labor came to power its counsel was telling the Arbitration Commission that there should be a "substantial" increase granted.

Revealing its own impatience, even blindness, to the constraints of the economy, the submission said the commission should not consider the impact of a large increase because that was the Government's responsibility.

The two key points in the Government's policy were increases in wages and a narrowing of relativities between different wage and salary scales. The latter was known as Labor's "Robin Hood" policy — take from the higher salary earners, and redistribute back to the poorer.

Apart from its national wage submissions, the Government pushed for other increases and improvements in conditions through the maze of regulatory machinery existing in Australia's Federal structure. It moved to re-open an equal pay hearing in the Arbitration Commission covering all female employees in the workforce. This resulted in a speeding-up of the introduction of equal pay.

Labor pursued its policy of using the Federal Public Ser-

vice as a "pace-setter" for wages and conditions for employees in the private sector. It bullied through the semi-independent Public Service Board an increase in annual leave to four weeks, 12 weeks paid maternity leave, a 17½ per cent loading on annual leave pay, and a shorter qualifying period for long service leave.

The man responsible for administering Labor's industrial relations policy was the South Australian MP, Mr. Clyde Cameron. Born into a poor family, unemployed during the Depression, and a graduate of the rough-house end of trade unionism, the Australian Workers' Union, Mr. Cameron was one of the many Labor traditionalists who went into the Ministry.

Cameron believed in improving the workers' lot by simply forcing up their income levels. He regarded the Labor Party's industrial relations platform as the Bible, and the agnostic Mr. Cameron set about religiously implementing it. Any opposition to the programme, outside or inside the Government, was ruthlessly swept aside.

However, even the single-minded Clyde Cameron realised after eight months in office that he was pursuing a disastrous policy. Inflation, under 5 per cent, when the Government took office, had already reached double figures. The combined effect of the flow-on from the Public Service increases, the generous decision of the Arbitration Commission in the national wage case, and the rapid implementation of equal pay, was generating a round-robin situation on the wages front, with unions making unprecedented claims on their employers.

Strikes have also fallen off as a result of unemployment. 1974 was the worst year for industrial disputes in Australia since 1929, when the old Arbitration Court cut the national basic wage by 10 per cent.

However, the first two quarters this year show less working man-days lost through industrial action than in the previous three years.

Inflationary

Cameron's policy was not the only, even major factor. Before the quadruplication of oil prices after the October Middle East war, Australia was in the grip of inflationary forces.

The previous Government, in a desperate bid to stay in office, had pumped money into the system at the dizzy annual rate of 27 per cent. The commodity boom in rural products—wheat, beef and sugar—had forced up domestic prices, and the fat export cheques had swelled liquidity.

But the Government, particularly Mr. Cameron, treated with contempt warnings from its public service advisers that the situation was less than ideal for the implementation of the Labor party programme.

In August, 1973, Cameron launched a bitter attack on the higher levels of the public service, accusing them of being "fat cats" pursuing selfish demands for even more money. However, he did not criticise the blue-collar trade unions, which were still heartily pursuing claims.

Increases for most employees far outstripped inflation, now running at just under 17 per cent. In the 12 months from May, 1973, male average weekly earnings increased from \$73.29 to \$92.79. In the next 12 months, up to May this year, they increased another \$18, or 18.7 per cent. Female rates have almost doubled in the same two years, the increases partly generated by the introduction of equal pay. In the last 12 months, average female rates have increased by 30.5 per cent.

Instead of attacking the militant unions head on, the Government began pushing for a system of wage indexation. Wage indexation based on the consumer price index had been part of the Australian scene from 1921 to 1953, when it was abandoned during a one-year bout of 20 per cent inflation,

The long-term prospects for but separate retraining scheme already administered by the Government. It extends the situation of tight demand for labour will unleash another series of claims which employers in capital-intensive industries, like oil refining, will have no chance of resisting.

Opponents of the system do not simply reside in big business. The Federal Treasury opposes any form of incomes policy, and says the introduction of indexation during a recessionary situation marked by continuing high rates of inflation, will only postpone general recovery, and exacerbate inflation.

Although the trade union movement endorsed the concept of wage adjustments to keep pace with inflation, it has been reluctant to agree to restricting its claims outside the system. At the same time, it has demanded the complementary introduction of tax indexation.

The fiscal morass the Government has found itself in this year has effectively ruled out the early introduction of tax indexation, quite apart from misgivings about its worth in both the ministry and key economic departments, including Treasury.

Sanctions

However, the Government is considering a wide range of amendments to the Arbitration Act which would emphasise its economic role, and centralise the commission's regulatory functions. Although these amendments fall short of imposing sanctions, their thrust reduces the flexibility left in the system for trade unions to by-pass the indexation guidelines, it will drop the system.

At present, indexation is working. The immediate reason for this is the slump that hit Australia half-way through last year. With it has come record post-war unemployment, which has reached 4.8 per cent, or 250,000 out of work. While the leaders of militant unions are still pursuing ambitious claims which exceed the indexation guidelines, the threat of losing their jobs has created a quiescent rank and file, even in such traditionally militant unions as the metal-workers.

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NEAT amalgamated 14 small

No headway has been made by the Government on the complicated question of worker participation. Manager-employee relations in Australia are traditionally marked by mistrust on both sides. A Government has also the problem of hostility to the from its own base, the union movement. However indirect initiative for worker participation has the establishment of a national education programme for unions officials, backed by generous funding from the Government.

Andrew C National 7

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Closely

Peter Samuel
The Bulletin

Sagging confidence among manufacturers

AUSTRALIA'S economic recession in the past year, plus rapid acceleration in inflation and some equally rapid swings in Government policy, have brought to a head a long-simmering crisis in Australian manufacturing.

In many quarters, the root causes of the crisis are still not recognised. There is a tendency to blame the Government's exchange rate policy, the removal of export subsidies, tariff cuts and import liberalisation, and rising local costs. All these factors have been important, for some industries and companies they have been critical.

Deeper down, however, is the delayed effect of the ending of Australia's post-war period of industrial growth. It was a growth period catering for unchallenged assumptions of continued economic growth for its own sake, fed by rapid population growth through immigration, protected by high tariff walls, and aimed essentially at import replacement.

Priority

Now the corner-stones have sagged. Economic growth still has a high priority but is increasingly challenged by quality of life issues which often tend to have their strongest impact on manufacturing. Immigration has been tapered off with apparent full public approval. There is a general move towards lower tariffs though still considerable argument about the rate and the policies to go with reductions. And import replacement has lost its growth potential with smaller population growth. Over the past decade the growth rate of Australian labour productivity has been lower than that for any significant industrial country except the U.S. But in the past two years the share of Gross Domestic Product going to wages has

risen substantially with company profits suffering proportionately. The only direction for genuine growth, is in exports but too few industries are geared to take advantage of it and many are unwilling to acknowledge the need.

The current dilemma is accentuated by the structure of Australian industry. About 22,000 small companies account for half the value of production, the other half is from about 200 large companies, about half of which have foreign affiliations of one sort or another. The present problems naturally bear heaviest on the small firms. Many of them, in united fronts with their employees' trade unions, have forced the Government to abandon or moderate the few attempts in recent times to initiate long-term policies.

Like productivity, the profits of manufacturing companies in real terms have been falling for a decade and investment has been virtually stagnant. Both the problem and the prospects for recovery are complicated by the situation.

A year ago, the Prime Minister, Mr. Whitlam, appointed a committee headed by the General Manager of CSR, Mr. R. Gordon Jackson, to prepare a green paper on future policies for manufacturing. Its membership included the President of the Australian Council of Trade Unions, Mr. Bob Hawke, the Chief Executive of Conzinc Rio Tinto of Australia, Mr. Rod Carnegie, the permanent head of the Department of Manufacturing Industry, Mr. Neil Currie, and the Chairman of the Industries Assistance Commission, Mr. Alf Rattigan. The green paper is due to appear within a matter of weeks and it is clear that the Government sees most of its hopes for sorting out the present situation on its contents.

Despite initial scepticism, the committee appears to have worked well. Industry was critical at first at the absence of direct representation for various sectors of manufacturing—referring to some extent the en-

trenched views in favour of tailor-made tariff protection and a long-term mechanism to preserve the status quo. The Jackson Committee, however, appears to have convinced most of those concerned that the issues are wider and deeper than they were first prepared to believe.

The polarisation, if any is to appear, is not likely to be between the Left-wing and Right-wing members of the committee—exemplified in the popular image by Mr. Hawke and Mr. Carnegie—but between supporters and opponents of Mr. Rattigan. In many key respects, the policies of Mr. Rattigan's Industries Assistance Commission (formerly the Tariff Board) are at the heart of the pending debate.

Resources

Since the mid-1960s, Mr. Rattigan and his commission have been pushing relentlessly for the "efficient" allocation of resources through downward pressure on the tariff walls. They were fiercely opposed by the Governments of the early years of their campaign but just came to power. The present L.A.C. with powers and independence far greater than the Tariff Board had, was the result of Mr. Whitlam's support.

But despite the general feeling in favour of lower tariffs there have been growing doubts within the Government and outside about the approach of the L.A.C. The Government's own disastrous experiment with freer trade through the 1973 tariff cut of 25 per cent. across the board demonstrated forcibly the one-sided nature of the L.A.C. strategy. The expert committee they recommended the across-the-board cut to the Government probably would never have done so unless they had been convinced that there would be effective measures to take care of the consequent disruption of local manufacturing.

Whatever their convictions, the measures did not emerge. A structural adjustment

scheme, which was to have been managed by the process of continuing change through tariff reform, failed to even get off the ground. It was too complex, too rigid and ill-prepared. And after being used as a minor pork barrel during the rapid rise of unemployment last year, it has now become almost moribund.

Critics of the L.A.C. simply do not support its contention that when sufficient pressure is applied, the mechanisms of price and market will see that resources are re-directed to an area made uneconomic by one where they yield a return. Even the ill-fated structural adjustment associated with the tariff cut had something like an "ambulance" role. It picked up the casualties but had virtually nothing to do with avoiding the crash. What is being sought now is the machinery to see that there are alternatives in being when an industry is scheduled for "restructuring".

The L.A.C. is pressing ahead with a seven-year review of tariff protection for high and medium-cost industries which it began in 1972. Some of these industries have not had their protection level re-examined for 30 years—a factor which is only likely to make the results more painful to them if the L.A.C.'s recommendations are accepted.

In the present climate, though, it appears less and less likely that recommendations for change will be accepted unless it is within a whole new policy context. Manufacturing is in an undisputed crisis which will not be ended by a general recovery in the economy. Given that the total work force, any government in the near future will be hard pressed to advocate further dislocation in the name of restructuring and more rational allocation of resources. Yet only a decade ago, the manufacturers employed 27.28 per cent of the workforce. The decline is some measure of the creeping sickness.

It remains to be seen how far the present Government is prepared to tailor its whole web of general fiscal and monetary policies to the improved health of manufacturing. It has retreated steadily from the effects, and even the intentions, of the 25 per cent. tariff cut and its variations in the exchange rate. Import restrictions have been brought in for a wide range of products from cars and footwear to textiles and clothing, mostly because of the local employment situation.

In effect, these measures over the past year have been little more than a reversion to the previous status quo. They were matters of expediency and not part of a through-through policy. If the 1975-76 budget this month was any guide, the scale of the problem to be dealt with, even in the short term, is still grossly underestimated. A modest 2½ per cent reduction in the general rate of company tax and the continuation for an unspecified period of doubled rates of plant depreciation, are not likely to lead to any significant recovery in the present circumstances.

Recovery

As Mr. Hayden, the Treasurer, acknowledged in his Budget speech, the key to any sort of recovery in the economy, including manufacturing, is expectations. In the manufacturing sector, expectations could not be lower. Confidence has been shattered by events of the past two years, and especially of the past 12 months. In many cases, the scepticism and hostility towards the Government from its early days has developed into deep-seated antagonism to which both sides tend to have automatic responses. The tariff debate will be the central feature of the coming year. But in a politically unstable atmosphere it will be hard going for those committed to coherent, long-term plans—wherever those people may be.

Kenneth Randall

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The Hilton guide to Sydney

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A few minutes walk from the hotel can take you to a lot of places. Shopping. Only a block away you'll find Centrepoint, multi-level arcades crammed with "way-out" boutiques and connected to Sydney's main department stores by skywalks. And there's a shopping arcade right in the building.

Feel like an argument? A few blocks away is the Domain where soapbox orators harangue onlookers, but only on Sunday.

Walking Tours. Browsing on the Domain, you'll find the best collection of Australian paintings at the Art Gallery of New South Wales (admission is free on Tuesdays, 20 cents other days). If your interest runs to early Australian art, spend an

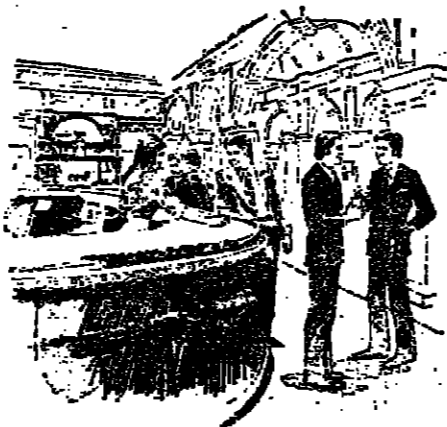
hour or two at the Australian Museum in College Street. If it's culture and beauty you want, a ten-minute walk north of the hotel brings you to the world-famous Sydney Opera House. This entertainment complex has sweeping views of the harbour and city. Adjacent to the Opera House is Circular Quay where ferry boats leave regularly for cruises around the harbour.

Drinking and Dining. Spots. Walking tours can build a thirst. The historic Marble Bar at the hotel is the best place to quench it. Once part of the gracious Adams Hotel, this famous watering hole has been restored and declared part of Australia's National Trust. On the lobby floor is the America's Cup Bar, convenient at any time.

When it's time to dine, you have one of four restaurants to enjoy at the hotel. The San Francisco Grill is especially recommended. If you're dining out, try Doves overlooking the harbour at Watsons Bay. Sample the barramundi and rock oysters—native fish specialties of Australia.

Side trips. Before you leave Sydney, take a drive around Paddington, a residential section with unusual terrace houses or visit La Perouse where an Aborigine will show you how to throw a boomerang—and get it back.

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HILTON INTERNATIONAL

Ray of light falls on steel profits

FOR AUSTRALIA'S steelmaker Broken Hill Proprietary a troubled year, and grim prospects that BHP has no choice but to justify its steel pricing quite added up to an unrelieved gloom. The company reported that a loss of \$437.6m. on domestic sales for the year ended May 31. More recently, orders have fallen drastically and there are fears of a deluge of imports from an oversupplied world market. Even so on the stock exchanges BHP is some-thing like 50 per cent. up on a year ago.

This fact of course may have nothing to do with steel. Group profits in toto were again higher—exceeding \$1,000m. for the first time—largely thanks to the continuing harvest of oil from the Bass Strait which the company shares with Esso. There is no doubt that oil has been BHP's saving grace for the past few years but it has been a mixed blessing, as the steel industry should be able to see. The disadvantage is that BHP found it difficult to justify higher steel prices while the establishment of the prices of corporate finances in aggregate justification Tribunal a pro-posed so obviously flourishing, posed price increase was made this was as depressing for the subject of a public inquiry stock markets as for the early in 1973 (and was cut back management at 140 William Street and this is where the presiding judge). Between then and the end of June, 1975, steel was said to have gradually and prices went up 39 per cent. but

every bit of the increase had to be pleaded for before the Tribunal, by which in five separate hearings it was approved.

Rising costs

For the company, this was far from satisfactory, since the pattern was that the Tribunal only gave its blessing to part of each intended price hike and then only on the basis of cost re-coupment. BHP followed the Tribunal's recommendations though these are not legally enforceable—thereby setting a fine example to the corporate sector as a whole but falling to keep up with rising costs.

Thus domestic steelmaking became a loss-making activity on BHP's accounting basis in 1973-74 when steel operations were reported profitable (to the tune of \$48.4m.) only because export prices were at that time booming. Exports were about 1.6m. tons (raw steel, equivalent) 20 per cent of BHP's output of 7.7m. tons. Export markets remained strong in the first months of 1974-75 account-ing for the fact that BHP's steel division as a whole did not this time claim it needed returned a loss of only \$45.2m. higher prices merely to cover

notwithstanding the disastrous results of domestic trading.

Now, however, the situation is very different, export sales this year will apparently contribute less revenue per ton than domestic turnover. Fortunately there are two reasons why the picture is less black than this description paints, one of them is well known; the other emerged on July 30 last.

The well known part is that BHP's accounting is unusually severe as a result of an annual charge against profits for what the company calls fixed asset utilisation. For example, taking the 1973-74 figures the company has conceded that if conventional accounting guidelines are used the steel division's earnings are bumped up from \$48.4m. to \$446.9m., which includes some profit from domestic sales. The figure was given by BHP when it placed yet another submission—the sixth—before the Prices Justification Tribunal in April last.

However, this figure is purely incidental to the significance of the deliberations for which it was supplied, for this was a submission of a different kind. BHP mission of a different kind. BHP did not this time claim it needed higher prices merely to cover

CONTINUED ON NEXT PAGE

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Peter Duggan

Canberra versus the home States

AUSTRALIA'S FEDERAL constitution almost guarantees a by the most virulently anti-degree of conflict and overlap Canberra Premier of them all between the central Govern- in Mr. Johannes Bjelke-ment in Canberra and those in Petersen, the national Party the States. In the past 30 years, Premier of Queensland. But since the States (as a wartime even Mr. Whitlam accepted the measure) ceded their right to Dunstan action fairly philo-levy income tax, the tensions sophically. He has no illusions have increased irrespective of about the difficulties his actions the political complexities of and style have created for these holding office in Canberra State Labor leaders, though and the State capitals. But there sometimes it often seems to be has never before been the signs a matter of little concern to of such consistent and open him.

The non-Labor Governments To survive in a State election and Premiers in the States pro-earlier this year, the highly less to see the situation in far successful Premier of South more sinister terms. "Creeping Australia, Mr. Don Dunstan, socialisation" and "creeping judged it necessary to publicly republicanism" have been used and explicitly disassociate him-constantly in the public debate, self from the Whitlam Federal Mr. Bjelke-Petersen and Mr. Government. There seemed no Tom Lewis, the New South doubt that the gesture saved doubt that the Whitlam objective is Wales Premier, seem to believe his government. He was sup-ported in his action by the to undermine the States to the former State Labor leader in point of collapse as a means of Queensland, Mr. Tom Burns, imposing outright central con-who had seen his own Opposi-tion team decimated late last year, at least partly because of long-held view that the State its identification with the un- boundaries are, and always popular administration in Can- were, a colonial anachronism berra. with no real relevance to Aus-When Mr. Burns suffered his trails. On the same view, Mr. thrashing he had to contend Whitlam believes that the State

Governments in their present form are also anachronisms. He would prefer to see the central government dealing with regional administrations which represented some genuine, definable community of interest. A token start on just such a system was made by re-vamping the Commonwealth Grants Commission which for many years has recommended on special payments to the less populous States so that they are able to provide services equal to the richer "standard" States. New South Wales and Victoria. The Grants commission is now performing the same role for regions, defined by the Federal Government. It is a modest programme by any standards but it establishes a direct central government-regional relationship which by-passes the State Governments and confirms their worst fears.

The reaction in the "States' rights" camp was well illustrated by an article earlier this year in the strongly anti-centralist Sydney Morning Herald. It described the "formidable infrastructure" created by the Whitlam Government and predicted that not even a non-Labor Government would want to dismantle it entirely because of the power it represented.

It comes close to mirroring the higher levels of State administrations," said the article. "It abounds with Boards and panels of specialists assigned to acquiring an intimate knowledge of particular State activities, then framing Federal policies towards these activities—policies it then imposes on the States."

There is no real prospect of Mr. Whitlam or any other Prime Minister being able to succeed with referendums to change the constitution so as to do much more in this direction—at least

"The faceless multitude within this infrastructure has been working like an excited hive of bees in the past two years, gathering every scrap of information it can lay its hands on from within State departments to turn to its advantage."

It follows from such attitudes that the State Governments should feel themselves forced on to the defensive. But the feeling has now gone so far in the non-Labor States that a new Ministerial responsibility of blitty which you proposed to me. There is no clear job to do. It is not a position which fully utilises my capacity in the inter-ests of the Party. It could be seen only as a liaison with the States. It leads to no portfolio in Government. It would have the effect of leading me into conflict with my colleagues."

As the Herald article put it: "The attitude of these Governments is that their officers are being called upon continually to serve Canberra in a 'brain-sucking' exercise aimed at gaining it added weaponry with which to undermine the authority of the States."

The simplest fact is that nationally the Labor Party is strongly committed to national policies and national planning. They came to office in 1972 with an extraordinarily detailed programme of action which had been developed, largely under Mr. Whitlam's guidance, over nearly eight years. The plans involved new spending on an immense scale for the benefit of the citizens of the States and the new Government, not surprisingly, wanted to see that the money was spent as intended in its programme—and as endorsed by the voters. Conversely, the States argue that remote Canberra continually seeks to take away from them, the Governments nearer the people, the right of deciding where need exists and funds should be channelled.

The National Conference of the Labor Party last February adopted a motion acknowledging the importance of the States in the making and executing of national policies. Mr. Whitlam used the same forum to announce the formation of a special committee of his senior Ministers to work for better relations with the States. But nothing more has been heard of either initiative. Once the conference was over, the day-to-day pressures of political bickering saw the situation actually worsen.

Yet it is always difficult to devise the acceptable balance

between responsibility and attitudes that relations with the central government are of such overwhelming importance. Despite appearances recently, the division on the States' rights issue crosses party affiliations now as it always has simply because the issue is power.

In their latest defensive measures, the non-Labor States have formed a body to be called the Council of States, which will have a permanent secretariat in Canberra and apparently operate as something half-way between a diplomatic mission and a lobbying organisation. The founder members have announced that they intend to give it legislative backing in each of their State Parliaments, though to what point is not clear. It will study the implications of new legislation and policies and suggest suitable counter-action to protect State interests, according to the original announcement.

The difficulty about such a concept is that in most instances a determined central govern-ment cannot be stopped from acting by anything except bloody-minded obstructionism. Unfortunately, there are signs that some of the states would accept this as the price.

Kenneth Randall

New South Wales

THE DEPARTURE of Sir Robert Askin after a record winning office at the next State election in February will probably depend to a large extent on Mr. Wran's success in avoiding the fallout of the Federal Labor Government's unpopu-larity.

Identity

In this respect, his performance so far has been particularly adroit. Mr. Wran has been able to moderate his Federal colleagues on several occasions, disagree with them at other times without causing undue fuss and generally retain a clear identity for his own State team. In the State Parliament, opposition activity dominates the coverage by the media, giving the impression of a government constantly on the defensive.

Mr. Lewis is unable to match the opposition leader in his handling of the news media and has cut back sharply on his at-

tempts. For all these reasons, the build-up to the February elections is important to his future as Liberal Party leader. He has an unavoidably unpopular State Budget to present next month and his position has not been helped by a recently published interview with Sir Robert Askin. In that interview Sir Robert, from his position as Party elder statesman, said he had no doubt that his heir apparent, Mr. (now Sir) Eric Willis, would have become Premier if he had accepted Sir Robert's help.

Yet despite a sense of government torpor, New South Wales remains unchallenged as the richest, most cosmopolitan of the Australian States and, despite the continuous exchanges between Sydney and Canberra, it has done better than most others from the free-spending programmes of the Federal Labor Government.

The city of Sydney is booming but its outer areas have been feeling increasing strain from the pressure of mounting popu-

lation. Through a joint Federal-State agreement, a vast area is being developed around the city's south-western perimeter to cater for a population growth from 25,000 to 100,000 by the end of next year, with a planned growth to 500,000 within the next 25 years.

In addition, New South Wales—and Sydney indirectly—benefit from the two biggest regional growth centre projects supported by the Federal Government: Bathurst-Orange in the central west, and Albury-Wodonga on the Victorian border. The Bathurst-Orange regional plan provides for additional population of 240,000 in the next 25 years—half in an entirely new city between Bathurst and Orange, and the rest in the existing cities. On the bigger Albury-Wodonga scheme, which began in earnest last financial year, spending is estimated to have reached \$A85m. by the end of the 1976-77 financial year.

Kenneth Randall

Foreign

CONTINUED FROM PAGE 17

Earlier this year, the Fiji Prime Minister, Ratu Sir Kamisese Mara, declared that he got a fairer hearing for his country's problems in Europe than was possible from Australia and New Zealand. In Papua New Guinea, the Chief Minister, Mr. Michael Somare, was bitterly critical of the reduction of the growth rate in this year's aid grant from Australia. With independence to be declared on September 18, and with serious secessionist sentiment harassing his Government, Mr. Somare's barbs certainly struck home in Australia but they did not get him more money.

Domestically, foreign policy is close to being a dead issue. The close-to-home questions have attracted attention but no consistent concern. Domestic problems have been such that there is even resentment at Mr. Whitlam's personal attention to foreign relations, as he found last Christmas-New Year in the vitriolic criticism of his extensive European tour. The Opposition has been coasting on largely negative and opportunistic pronouncements and has had difficulty formulating its own long-promised policy statement on international relations.

The level of interest in defence is only marginally higher, despite basic changes that have been introduced by the present Government. The integration of defence administration into a single department where five existed before has been, perhaps, the most fundamental change since Federation but its complexities and consequences have eluded the mass media and most of the voting public. After a period of primary concentration of the personnel side of defence, the Government is now moving back to an area where there is more likelihood of kudos, the area of hardware acquisition.

Build-up

Only last week the Defence Minister, Mr. Morrison, gave some details of the first steps in a new build-up of equipment buying. There will be a modern new transport ship developed from the Royal Navy's "Sir Bedivere" class landing ship logistic, new fire control systems for the navy's Oberon class submarines, new anti-submarine sonar equipment for the navy's destroyer escorts and a start on design development of a new class of coastal patrol boat.

In the army, the time-honoured Bofors gun will be replaced for air defence by the Rapier surface-to-air guided weapon system. The order for 53 Leopard tanks from Germany (to replace 30-year-old Centurions) is being increased to 87, and 2,000 new trucks are being acquired at something like \$A14m.

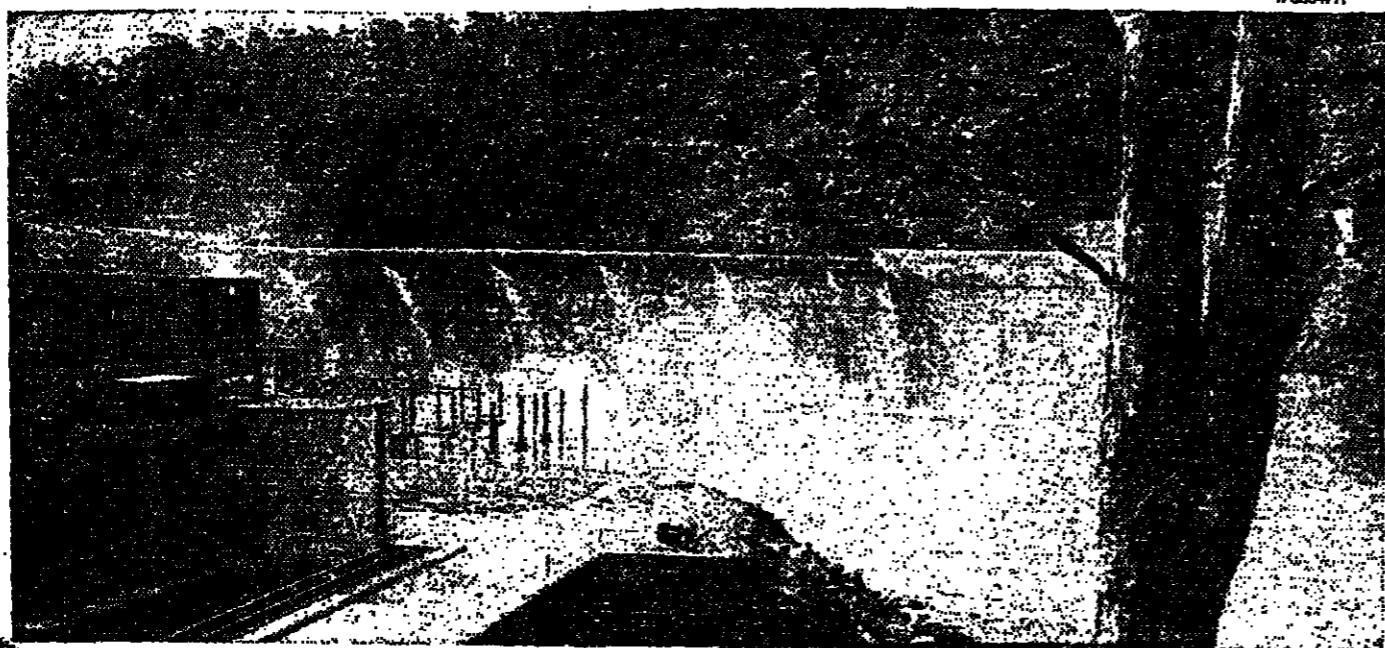
For the air force, there will be a new squadron of medium-range transports within three years and new radar systems. But despite the popular appeal of defence hardware, the concept behind re-equipment is probably more important. As Mr. Morrison put it: "... this is a defence budget explicitly and expertly designed for the defence of Australia and its direct interest... this concept of continental defence is reflected throughout the details of expenditure."

Dr. T. B. Millar, of the Australian National University, one of the leading academic

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A year of traumas for Tasmania

DESPITE the turbulent progress for acting against the interests of the national Labor Party of the Labor Party.

Mr. Harridine has appealed but in the interim course, his appeal would not be heard until the next national conference of the party in 1977. The Tasmanian branch of the Labor Party has refused to accept the national executive decision and believes Mr. Harridine should retain membership rights until his appeal is dealt with. A meeting of the executive in Hobart next month faces a decision whether to intervene in the State affairs, placing it under national control and dissolving the State branch.

If this happens, it will be the culmination of an unprecedented year in the island State.

The most signal event in Tasmania was his case, bizarre quality about it — the was never dealt with until a few weeks ago, when the current River in the centre of Hobart executive expelled Mr. Harridine knocked down by a passing ship.

The accident cost several people their lives and will effectively isolate the city proper from its fastest growing urban satellite and the State's main airport for the next two years or more. It also served to mirror grotesquely the problems of communication which have been a major cause of the island State's slow economic expansion for many years. The bridge collapse was but the centrepiece in a series of economic and political traumas during the financial year.

At the Labor Party's State conference a few months ago, the long-reigning State Premier, Mr. Eric Reece, 65, was deposed by Young Turks looking for a less conservative leadership. Already the same people are plotting to replace Reece's replacement, former Attorney-General Mr. Bill Neilson, whose repeated attempts to explain his leadership failure by the ill-health of various members of his family and himself recently culminated in a Pacific Island holiday cruise.

Deficit

In June the State Treasury unveiled its response to the year of inflation—a revenue deficit of \$A13.6m. This was more than

double the record deficit set in 1969-70 by the then Liberal Government and would have been much worse had not the Australian Government purchased the State's debilitated and costly railways system during the year.

Sadly, the huge deficit came in a year when the State had just cut itself adrift from the Commonwealth Grants Commission—an Australian Government-sponsored mechanism which subsidises social services spending in the smaller States so that they may enjoy a similar standard of living to their more populous siblings. Surprisingly—despite these troubles and a universally tough year—Tasmanians are presently faring better than most other Australians.

Unemployment levels—usually among the worst in the country—are lower than in almost every other State. This is so despite the selective tariff cuts by the Australian Government which created pockets of severe unemployment in paper-making and textile centres in the north of the State and the slackening in Japanese demand for woodchips which has shrunk employment opportunities in Tasmania's newest export industry.

Part of the reason for the apparent relative stability of Tasmania's employment situation is that public service employers' loom large in the small State economy. But big spending through the Federal Government's employment-creating Regional Development Scheme (REDS) and the State Government's Unemployment Relief Scheme has helped insulate the workforce from the full effects of inflation.

Although Tasmanians only account for 3 per cent of the total Australian workforce, they account for 6 per cent of all Australians employed under REDS.

Two other significant economic pointers—building activity and consumer spending—are also running at high levels in Tasmania.

Although the rapid expansion in tourist accommodation and restaurants has at last halted, a recent survey showed that the number of tourists who visited Tasmania last season represented a growth rate of 18 per cent in the State's second biggest money-earning industry.

Higher fares

Industry leaders are less sanguine about the season which begins later this year—partly because of the general economic

climate and partly because of recent increases of 14 per cent in air fares between Tasmania and the mainland and 30 per cent in sea fares.

Meanwhile the State's main man-made tourist attraction, West Point Hotel-Casino (the only legal gambling casino in Australia) is wrestling with the State Government for a reduction in its 30 per cent gambling taxation rate because of the extent to which losses on the hotel side of the business are being subsidised by the casino's earnings.

The Australian Government's big spending in education and social services in the past year has been readily embraced by Tasmania—not just because the State administration is of the same political complexion, but because there is a long tradition in Tasmania of spending in these areas. This has made the centralist takeover of important areas of Government in Australia more obviously observable in Tasmania.

The State's railway system has already been acquired; the Commonwealth is exerting more control over the development of important sectors of the road system; the new National Health Scheme was enthusiastically welcomed by

Tasmania; and national education projects have received full backing from the State administration.

Tasmanian nationalism did surface briefly when Premier Neilson was reprimanded by his Cabinet colleagues for attempting to hand over the State's ill-fated mini-shipping line (two ships sank and the third was involved in a collision) to the Prime Minister.

Potent

But despite the change in the State's leadership very little is coming forward in the way of new initiatives from the State Cabinet, which makes the activities of the Australian Government appear even more potent.

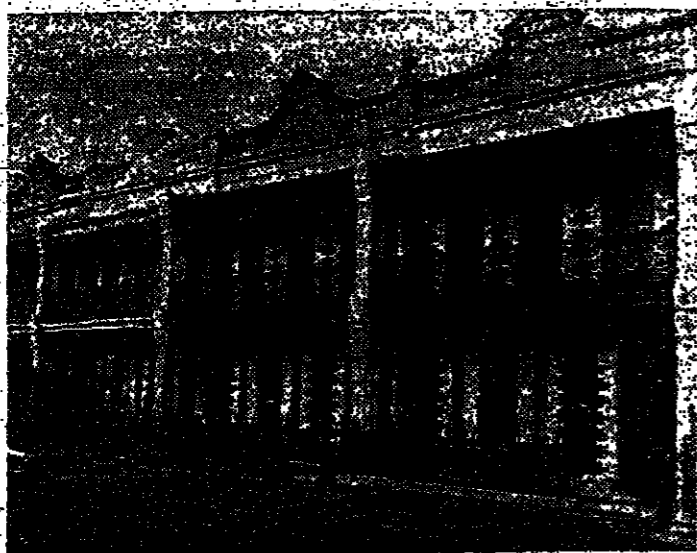
One Cabinet Minister consistently winning (not always favourable) headlines for his boldness is 38-year-old Education and National Parks Minister, Mr. Neil Batt. In the past 12 months he has earned the enmity of all the major churches by dismantling a partly-implemented religious studies course in State schools; the grudging gratitude of conservationists for banning an annual bloodsports festival aimed at the wallaby pest; and

the anger of what appeared (from letters to Hobart's main newspaper) to be the whole State by attempting to acquire as part of a national park a 300-acre island that a rich interstate doctor had just purchased as a lifelong retirement dream.

But while Mr. Batt attempts (in his own words) to "raise the level of public consciousness and discussion" about important issues, his rival in the contest to replace Mr. Neilson as Premier, the Deputy Premier, Mr. Doug Lowe, 52, has emerged as a firm favourite. Sporting a quiet and likeable exterior, Mr. Lowe's recent criticisms of Australian Government ascendancy in Tasmanian affairs seems to have struck a chord of nationalism that must lurk in the subconscious of all island people.

Whether this nationalism will ever be raised to the pitch reached several years ago, when there were quite serious attempts to gain support for Tasmanian secession, remains to be seen. But when big increases in air fares and shipping freights were approved at the end of July it seemed that the Australian Government had taken the initiative even in this.

Roger Lupton



Distinctive housing facades in Victoria's capital, Melbourne.

Victoria voters restless

FOR TWO decades the once-focused around the State conservative State of Victoria Premier's inability to deliver has boasted a robust and new legislation and to control healthy economy which has his Cabinet. Although Mr. blossomed under successive Hamer has established a Liberal Party governments moderate, forward-looking economic growth has stabilised image, he is saddled with the under the urban Liberal Right-wing Cabinet of Sir Henry Premier, Mr. Rupert Dick Hamer, after being carefully reluctance to approve impugned the iron-fisted rule of five policy the Premier has been his predecessor, Sir Henry forced time and time again to capitulate on new legislation.

The Liberal Government has until now enjoyed an easy electoral ride with only a tattered Opposition to contend with, and the strong economy for support. Even in times of high inflation and unemployment (now running at about 5 per cent) the ride is still comfortable for most Victorians. The rate of home ownership—a measure of the Australian Dream for most people—is the highest in the country and claimed to be the highest in the world. The average Victorian earns close to \$A160 a week, the second highest rate of 24 of the States. Savings bank deposits, averaging around \$A1,200 a head, are the highest in Australia, 31 per cent above the national average.

In the total economy of Australia, Victoria controls more than its fair share of primary and secondary production in terms of job opportunities. The State provides 24 per cent of manufacturing employment on soundly developed industrial base covering engineering, chemicals, foodstuffs and textiles. In the primary sector the State produces around 73 per cent of the country's butter, 9 per cent of the cheese and round 30 per cent of meat. Manufacturing industry is backed up with extensive natural resources including iron ore, coal, natural gas and oil. The State now produces about 70 per cent of Australia's crude oil requirements.

But despite the apparent affluence Premier Hamer has problems, including a growing disenchantment among middle class voters that acted him to power on a platform of "progressive environmental-conscious reforms." After being over from the conservative stalwart, Sir Henry Bolke, Hamer set about carving with his own reputation as a come soon enough. The Minister concerned more men have indicated that they will stay in politics until next elections. The Premier, who ran his last campaign on his move was a timely one, the slogan "Hamer makes it happen" will have to ask the people of Victoria to be just a little more patient before the Minister Mr. Whitlam the happening really begins.

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Russell Skelton
The Age



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MINING NOTEBOOK

Gold and the September dividend season

the Union Corporation group. In this case estimates range up to 57 cents. My own view is that a maintained payment of 50 cents is more likely which would still make a usefully higher 113 cents (75¢) against 94 cents for 1973-1974. In this case the June quarter cost per ounce was just on \$60.

For Free State, Geduld there is no doubt about the expected reduction in the final. Even so, the more pessimistic forecast of 165 cents would make a total of 335 cents (223p), 25 cents more than for 1973-74. Here the June quarter cost per ounce was a low \$44.

As always, there is a wide range of predictions for Western Holdings with the most optimistic forecast of 355 cents coming from South Africa. I would not like to go for much more than 240 cents which would make a 1974-75 total of 465 cents (38.5p), an increase of 20 cents. June quarter cost per ounce was \$49.

already discussed, is the poor payment by the youngest producer Kinross. Caution is warranted here. It is generally expected that following the expected high March interest rate the final 1974-75 price will be 30 cents for a total of 50 cents which would be the same as for 1973-74. June quarter per ounce was \$66.

Leslie has already announced a further 10 cents capital reduction. While the dividend is accompanied by a 10% dividend considered to be a moot point, something between 22 and 25 cents is the general estimate. Broken. The higher prediction would make 55 cents (45.8p) against 51 cents for 1973-74, an increase would be unlikely to stimulate any particular enthusiasm for the shares of this relatively short-life mine.

For Harmony in the O.F.S. Free State an unchanged in 1974-75 is anticipated and there is a possibility it may be the Barlow Rand company is generous with the income tax "special" uranium sale in June quarter. If so it could ease management confidence in the reputation of such data.

In view of the static gold price and rising costs the great days of **President Brand**

President Brand

If President Brand manages to pay 125 cents it would slightly surpass its 74 3/4 cents (102.5p) total for the 24th but, according to my calculations, the company's heavy expectation in view of this year's heavy capital expenditure commitments. One estimate is as low as 110 cents. Here is a classic case of the "wait and see" attitude which will largely depend on the management's confidence in the future. And the management in this particular instance is the powerful gold American Corporation.

President Steyn is also a heavy capital spender and thus has to pursue a currently cautious dividend policy. So 60 cents is the general expectation which would make 120 cents (73.6p) for the year, down by 15 cents. June quarter costs per ounce for the two Presidents were \$80 for Steyn and \$68 for Brand.

Winkelman is tottering on the brink of bankruptcy, its distribution peak and only the optimists reckon that last year's 55 cents (36.5p) will be sustained through a final of 25 cents. There is a general tendency to go for a low dividend in the near future, which is in a declining period of its life. June quarter costs per ounce were the highest of those mentioned so far at \$129.

In the Union Corporation group's Brand field of most interest is a small Winkelman

the Barlow Rand group concern is generous with the income of a "special" dividend in the June quarter. If so it could cate management confidence the reputation of such decisions.

Jo'burg choices

Finally, we come to the group enigma of all, Loraine. Spending a huge amount on a major expansion programme but, at the same time, higher gold price. For the to last September 12 cents was paid. A nominal gesture of 6 cents to "maintain a good faith in the expansion programme." The London broker, is the most anyone is going for. No Loraine's June quarter cost was a hefty \$151.

Who will win all go here? The question is best answered by a legend Johannesburg broking which reckons that, with the price relatively static and the mining mines are reasonably low-cost production and have the potential to increase their tonnages material over the next year will be placed to maintain profits in perspective.

My choices in this particular category are East Rand, President Steyn, Randfontein, Kloof and Hartley. All these mines had won costs, well under \$100 an ounce.

World Economic Indicators

UNEMPLOYMENT					
U.K. '000 s.d.	August 75	July 75	June 75	August 74	July 74
%	967	938	864	597	577
%	4.2	4.1	3.8	2.6	2.6
V. Germany '000	July 75	June 75	May 75	July 74	
%	1,035.2	1,002.1	1,017.8	490.9	
%	4.5	4.4	4.4	2.2	
Ireland '000					
%	191	177	184	123	
%	4.7	4.5	4.7	3.0	
U.S. '000 s.d.					
%	7,830	8,569	8,538	4,680	
%	8.4	8.6	9.2	5.3	
Japan '000	June 75	May 75	April 75	June 74	
%	920	918	980	620	
%	1.7	1.7	1.9	1.1	
Italy '000	April 75	Jan. 75	Oct. 74	April 74	
%	667	603	605	484	

INSURANCE

Points on computer cover

BY OUR INSURANCE CORRESPONDENT

ONE of the consequences of the decision to acquire a computer is that once the machine is installed and running, the organization cannot thereafter live without it, however simple its tasks — or perhaps thinks it cannot, which probably in practice amounts to the same thing. The new computer user must face a matter of common prudence: get himself a certain amount of self-insurance—for example, by finding out who within a reasonable distance has a similar machine and spare capacity, and making provisional arrangements for mutual aid in the event of trouble. And he must have a duplicate set of tapes stored separately, or be able immediately to reconstitute currently held information in the event of its destruction.

Standby power

Perhaps less obvious self-insurance is the purchase of a standby generating plant—admittedly an expensive item but perhaps less costly than the interruption that can be caused by a prolonged failure of power. There much will depend on the size of the computer undertaking. How critical is its operational timing, how readily available is another machine and so on.

This kind of self-insurance is complementary to the purchase of what for want of a better word I will call real insurance—cover against damage to the installation and cover against loss consequent upon such damage. For in fixing premium rates, the insurers will take into account the degree of self-insurance the computer user has already planned or can arrange.

Air conditioning is vital to the well-being of the computer, and a power failure, quite apart from putting the machine itself out of action, may cause damage to the air conditioning system, so it does not follow properly, here again self insurance or reinforce policy protection, by the storage of duplicate parts, such as compressors and control mechanisms.

The user of a hired or leased computer may well find that the owner's material damage insurance can be extended to cover his interests—but this is an expense he must explore before the machine is installed. For not all hire contracts are written in precisely the same

course is to get one of the computer insurance policies that are now on offer—thereby obtain wider "all risks" insurance.

Consequential loss insurance is available in several different forms to satisfy the individual computer user's particular requirements. It covers, for example, for loss of revenue of interest, loss of gross and increased cost of work.

The individual user assess his own needs in regard to the work that his computer undertakes; he must take into account his plant self insurance, and he must evaluate the time during which he is going to have live without the machine or rely on the service of other

Legal liability

In all this he needs assistance—of his brokers or so places his cover, of insurers if he deals direct. In the past few years those specialists in the insurance of computers have built up a store of technical knowledge which is foolish to ignore.

Short-term fixed period interest The average rate of discount fell

EQUITIES											
Issue Price	Actual Yield	Up	Down	1976	Stock	Current Price	Yield	Div. per Share	Times Interest Covered	Debt to Capitalization	Rating
				High	Low						
100	P.F.			277	276	Southern Ind. S.A.	776				
55	F.P.	121/8		55	54	Lawrence Walker	64	6.4-5	2.77	4	

FIXED INTEREST STOCKS

[illegible]

"RIGHTS" OFFERS

Amount Paid	Account Debit	Latest Receipt	Spoke	Closing or Prize Paid	or Prize Paid
10	P.F.	1549	Adams Photo	19	
46	P.F.	777	BOC Ltd	48 1/2	+
50	P.F.	109	Bank of Montreal	44 1/2	+
10	NB	4-2	Bank of Montreal (Contd)	8 1/2	+
50	P.F.	5-9	Bathurst Car	16 1/2	+
50	P.F.	2517	Brighton Steam Specialties	35	+
56	P.F.	5-6	Briggs	56	+
56	P.F.	2228	Clayton Demands	17 1/2	+
45	P.F.	5-8	Comp Air	5 1/2	+
50	P.F.	3728	Cordia	29 1/2	+
50	P.F.	1042	Cordia - Trucking	47	+
65	P.F.	2148	Davy Ltd	87	+
37	NB	—	Deane Photo	15 1/2	+
57	NB	—	Do. A	12 1/2	+
50	P.F.	2027	Edwards Photo Mart	11 1/2	+
35	P.F.	1558	Empire Stores	77	+
35	P.F.	1558	Empire Stores	105	+
50	P.F.	2027	Hamilton Sales & Supplies	11 1/2	+
50	P.F.	2-2	Harvey	35	+
35	P.F.	1558	Howe Land	35	+
45	P.F.	2027	Legal & General	111	+
35	P.F.	1558	St. Joseph's	170	+
12	NB	5-6	Margie Edwards	41	+
50	P.F.	5-6	Margie Edwards	200	+
11	P.F.	—	McDonald's	800	+
50	P.F.	2119	Mont	127	+
50	P.F.	2549	Royal Worcester	110	+
50	P.F.	2548	Stoddard & Horrocks Brewery	56 1/2	+
50	P.F.	2547	Stoddard & Horrocks Brewery	10	+
50	P.F.	2547	Stoddard & Horrocks Brewery	137	+
50	P.F.	2547	Stoddard & Horrocks Brewery	102	+
0	P.F.	8-6	Tate & Lyle	21	+
0	P.F.	2148	Wardlaw Adams	80 1/2	+
50	NB	1859	Wardlaw Adams	200	+

were again reduced in general by 0.0520 per cent. to 10.3805 per cent. The one-month sterling cent.

turnrate yield eased to 10-10 1/2 per cent from 10-11 per cent. Previously, the two-month fell to 10-10 1/4 per cent from 10-10 1/2 per cent, and the three-month to 10-10 1/4 per cent from 10-10 1/2 per cent. Longer-term periods also fell, with the one-year rate falling to 11-11 1/4 per cent from 11-11 1/2 per cent.

The supply of day-to-day credit has generally been better in the latter part of the week, but on Tuesday a large shortage was relieved by exceptionally large amounts of help from the authorities by purchases of Treasury bills and corporation bills. Moderate assistance was also provided by the sale of Treasury bills, but on Thursday and Friday there was no official intervention in the discount market.

Under applications Treasury bill tendered were £1,295.41m. The further record level of £1,295.41m.

Sterling remained fairly firm on Tuesday, the close of the week and end of the month. The cable ended at \$2.135-1/2, a gain of 1/4 pence since the previous Friday. The result of the miners' ballot on Thursday had little effect on the pound. Forward sterling contracts with the one-month rate narrowing to 6.20-6.10 cent premium, from 7.75-7.65 cent premium. The trade-weighted average depreciation of sterling against 10 major currencies since the Washington Currency Agreement (as calculated by the Bank of England) had narrowed to 27.6 per cent by Friday evening, from 28.5 per cent a week earlier, compared with 27.9 per cent previously.

The U.S. dollar was also steady, helped by the differential between U.S. interest rates and deposits in Europe. The trade-weighted average depreciation against 14 units since the

EXCHANGE CROSS-RATES

Aug. 28	Frankfurt	New York	Paris	Bremen	London	Zurich
		2,925.25	28.75	7.75	5.45	57.75
Aug. 29		35.50	7.75	2.25	1.10-110	57.25
Aug. 30		175.00-30	4,397-4045	16.75-100	2,110-100	58.00-45
Aug. 31		175.00-30	4,397-4045	16.75-100	2,110-100	58.00-45
Aug. 31		6.45-45	11,175-1115	2.25-35	5.10-50	5.55-74
Aug. 31		1.2-3.35	2,947-722	3.14-25	3.10-52	3.21-63
Aug. 31		103.91-425	2,584-6	15.12-12	6.97-672	101.45-58

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Canadian \$ in New York 8C1=86.22-84 U.S. cents U.S.
Sterling in Milan 1411.50.

EURO-CURRENCY INTEREST RATES*						
Jan. 28 1975	Seeding	U.S. Dollar	Canadian Dollar	Dutch Guilder	W. German mark	Swiss franc
short term	5 1/2-10 3/4	5-5 1/2	5 1/2-5 3/4	1 1/2-2	4 1/2-5 1/2	4 1/2-5
3-6 months	5 1/2-10 3/4	5 1/2-5 3/4	5 1/2-5 3/4	1 1/2-2	4 1/2-5 1/2	4 1/2-5
6-12 months	5 1/2-10 3/4	5 1/2-5 3/4	5 1/2-5 3/4	1 1/2-2	4 1/2-5 1/2	4 1/2-5
12-18 months	5 1/2-10 3/4	5 1/2-5 3/4	5 1/2-5 3/4	1 1/2-2	4 1/2-5 1/2	4 1/2-5
18-24 months	5 1/2-10 3/4	5 1/2-5 3/4	5 1/2-5 3/4	1 1/2-2	4 1/2-5 1/2	4 1/2-5
24-36 months	5 1/2-10 3/4	5 1/2-5 3/4	5 1/2-5 3/4	1 1/2-2	4 1/2-5 1/2	4 1/2-5
36-48 months	5 1/2-10 3/4	5 1/2-5 3/4	5 1/2-5 3/4	1 1/2-2	4 1/2-5 1/2	4 1/2-5
48-60 months	5 1/2-10 3/4	5 1/2-5 3/4	5 1/2-5 3/4	1 1/2-2	4 1/2-5 1/2	4 1/2-5

GOLD MARKET

	Aug. 28 1975	Aug. 28 1975
1st Bellows		
2nd Bellows		
3rd Bellows		
4th Bellows		
5th Bellows		
6th Bellows		
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98th Bellows		
99th Bellows		
100th Bellows		

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Aug. 29 1956	Bank Rate %	Market Rates		
		Day's Spread	Close	
United States	5 1/2	2.1080-2.1125	2.1105	2.1115
London	6	2.1715-2.1760	2.1740	2.1750
Switzerland	5 1/2	1.56-55	1.57	1.57
France	7 1/2	30.80-31.27	31.10	31.15-31.52
Germany	16	1.45-50	1.45	1.45-12.50
Italy	4	1.42-45		1.42-45
Spain	16	1.68-15	1.68	1.68-15
Sweden	7	1.23-15	1.24	1.24-15
Netherlands	7 1/2	1.45-15	1.46	1.45-15
Belgium	7 1/2	1.40-15	1.41	1.42
Japan	3 1/2	1.16-11	1.17	1.16-12
South Africa	8 1/2	3.25-22		3.27-23
Stockholm	6	1.15-22	1.21	1.21-22

terms.

Package policies

The outright purchaser of a machine must make certain that this cover—not just material damage, but consequential loss of some kind—is included. If a computer becomes his risk, this is not necessarily the date on which the machine is moved into his premises. The date of installation will almost certainly have to be tested before it is handed over. While he can then insure against fire and standard theft, he must also make sure he has spare capacity, and must thus out, runs the risk of destroying or damaging the machine is pressed, or perished, which is pressing, or perished, analyses which are material, incorrect, but which never less are relied upon. Liability cover, most akin happens to professional negligence insurance, is available—including this kind of cover is now included in some modern

D. L. IV. I. I. D. I. I.

Public Works Loan Board rates

(Effective from August 30, 1975)

Years	Quota loans		Non-quota loans	
	Repaid		Repaid	
	By instalments	At maturity	By instalments	At maturity
Up to 5	11½	12	13½	13½
Over 5, up to 10	12	13½	13½	13½
Over 10, up to 15	12	13½	13½	13½
Over 15, up to 25	13½	14	13½	14½
Over 25	13½	14½	13½	14½

* Non-quota loans B are 1 per cent. higher in each case than non-quota loans A.

* Rate (%) Aug. 29, 1975

Rate given is the commercial rate; financial rate not available.

Week to—	Aug. 28	Aug. 22	Aug. 15	Aug. 8
Financial Times				
1000 Shares	87.00	86.80	86.50	86.10

MONTHLY AVERAGES

OF STOCK INDICES				
	August	July	June	May
Financial Time:				
Government Secs.	67.44	67.17	58.24	57.45
Fixed Interest	60.35	59.50	57.59	67.35
Industrial Ord.	959.3	954.4	932.2	974.9
Gold Mines	35.31	34.4	34.5	349.3
Reserves Int'l.	4.355	4.177	4.455	1.207

AIRPORT FOOD U

British Airports Authority given approval for catering prices at Heathrow and Gatwick airports to rise by about 9 per cent. from today.

INSURANCE RAS

INSURANCE RATES

* Atlantic Assurance ... 11
Carnon Assurance

* Address shown under Insurance

INTERNATIONAL COMPANY NEWS + EURO MARKETS

EUROBONDS

\$100m. issue for EIB

BY MARY CAMPBELL

THE SECONDARY market for dollar bonds was again reasonably quiet last week, but did reflect the effect of the higher dollar-eurodollar interest rates. Despite the weaker tendency, the European Investment Bank has come out with a \$100m. issue. It offers a 9 per cent coupon on a five-year maturity.

The success of the issue is assured if only because Union Bank of Switzerland is the lead manager. However, its main significance lies in the fact that it replaces the \$100m. EIB issue which was withdrawn from the New York market earlier last month.

The terms being offered are identical to those proposed for the abortive New York issue. Following on the heels of the successful doubling of New Zealand's two-tranche issue from \$50m. to \$100m., it will be a notable morale booster for the European-based issuing houses.

The other dollar issue announced during the past week was \$40m. for Dutch State Mines. Managed by Amsterdam Rotterdams and Morgan & Cie, this (it was \$40m. or so) was taken up by the measures to strengthen the authorities to support the domestic market appear to have failed.

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Growth at Carrefour continues

By Robert Mauthner

PARIS, Aug. 31. FRANCE'S LEADING supermarket group, Carrefour, announced a pre-tax first half 1975 profits of Frs.84m., up on profits of Frs.79m. for the same period last year.

At the same time, the company announced that it will raise Frs.330m. through a 6.75 per cent 15-year four months convertible bond issue from next week. The bonds, which will be issued in Frs.250 units, will be convertible into Carrefour shares from January 1, 1976, at the rate of one share for 10 bonds.

Carrefour shares closed on the Paris Bourse last Friday at Frs.182.1, a drop of Frs.68 from Thursday's closing price. The supermarket group, which is expanding rapidly abroad as well as in France, is expected to be followed by another near Brasilia in November—continues to do well.

Its net turnover of this year reached Frs.3bn., up by more than 20 per cent compared with the same period of 1974. Even when inflation is taken into consideration real sales during this period rose by 11 per cent.

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AUSTRALIAN WEEKLY LIST

Australian \$	Aug. 29	Aug. 25	Australian \$	Aug. 29	Aug. 25
Advertiser Newspaper	11.15	1.15	KW Ltd.	10.55	0.55
Adelaide Transport	0.60	0.64	Manila	0.50	0.51
Adelaide Transport	0.58	0.52	Maur Bros.	0.85	0.91
Adelaide Securities	1.50	1.50	Mayne Siskind.	1.35	1.36
Adelaide Securities	1.50	1.50	Mayne Siskind.	1.35	1.36
Adelaide Securities	1.50	1.50	Mayne Siskind.	1.35	1.36
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Adelaide Securities	1.50	1.50	Mayne Siskind.	1.35	1.36
Adelaide Securities	1.50	1.50	Mayne Siskind.	1.35	1.36

TEL AVIV STOCK EXCHANGE

Company	Price	Change	Company	Price	Change
Banking Insurance	205	+1.5	Banking Insurance	174	+7.5
Banking Insurance	205	+1.5	Banking Insurance	174	+7.5
Banking Insurance	205	+1.5	Banking Insurance	174	+7.5
Banking Insurance	205	+1.5	Banking Insurance	174	+7.5
Banking Insurance	205	+1.5	Banking Insurance	174	+7.5
Banking Insurance	205	+1.5	Banking Insurance	174	+7.5
Banking Insurance	205	+1.5	Banking Insurance	174	+7.5
Banking Insurance	205	+1.5	Banking Insurance	174	+7.5
Banking Insurance	205	+1.5	Banking Insurance	174	+7.5

HONG KONG

Company	Aug. 25	Aug. 22	Company	Aug. 25	Aug. 22
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85

SINGAPORE STOCKS

Company	Aug. 25	Aug. 22	Company	Aug. 25	Aug. 22
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85

CANADA

Company	Aug. 25	Aug. 22	Company	Aug. 25	Aug. 22
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
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Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85

PARIS

Company	Aug. 25	Aug. 22	Company	Aug. 25	Aug. 22
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85

COPENHAGEN

Company	Aug. 25	Aug. 22	Company	Aug. 25	Aug. 22
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85

OSLO

Company	Aug. 25	Aug. 22	Company	Aug. 25	Aug. 22
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85

JOHANNESBURG

Company	Aug. 25	Aug. 22	Company	Aug. 25	Aug. 22
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85

INDUSTRIALS

Company	Aug. 25	Aug. 22	Company	Aug. 25	Aug. 22
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85

CANADIAN WEEKLY LIST

Company	Aug. 25	Aug. 22	Company	Aug. 25	Aug. 22
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
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Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85

GERMANY

Company	Aug. 25	Aug. 22	Company	Aug. 25	Aug. 22
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
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Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85

AMSTERDAM

Company	Aug. 25	Aug. 22	Company	Aug. 25	Aug. 22
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85

BRUSSELS

Company	Aug. 25	Aug. 22	Company	Aug. 25	Aug. 22
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85
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Government Loan	0.85	0.85	Government Loan	0.85	0.85
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Government Loan	0.85	0.85	Government Loan	0.85	0.85
Government Loan	0.85	0.85	Government Loan	0.85	0.85

SWITZERLAND

12	5.0	KBW A-1	1,350	+40	10	2.5	Banco Latino Americano	1,000	0	0
12	5.0	Ciba-Geigy	2,000	+10	10	2.5	Banco Nacional del Caribe	1,000	0	0
12	5.0	Chem. Ind. S.A.	500	+10	10	2.5	Banco Paraguayo	1,000	0	0
12	5.0	Chem. S.A.	595	+35	23	2.3	Banco Atlantico (1,000)	1,000	0	0
12	5.0	Do. Do. Bag.	2,550	+50	22	3.3	Banco Central	1,000	0	0
12	5.0	United States	785	+10	18	2.7	Banco Exterior	1,000	0	0
12	5.0	Paraguay (250)	400	+10	0	0	Banco General	1,000	0	0
12	5.0	Mag. Mag. A-1	101,030	0	0	0	Banco Hispano	1,000	0	0
12	5.0	Hoffman LaRoche	52,000	+1,000	1100	1.7	Banco Paraiso	1,000	0	0
12	5.0	Intercontinental	5,000	-50	40	4.5	Industria	1,000	0	0
12	5.0	Chem. S.A.	500	+10	20	6.0	Banco Ind. del Chi. (500)	1,000	0	0
12	5.0	Nasdaq	3,110	+40	478.5	2.5	Banco Mercantil (1,000)	1,000	0	0
12	5.0	Do. Do. Bag.	1,455	+25	478.5	5.4	Banco Noroeste	1,000	0	0
12	5.0	United States	2,000	+50	26	1.5	Banco Oriental	1,000	0	0
12	5.0	Chem. S.A.	500	+10	1	7.7	Banco Popular	1,000	0	0
12	5.0	Son. San. Pinaril	151	0	14	9.3	Banco Sudamericano (250)	1,000	0	0
12	5.0	Swissair (250)	358	0	8.6	7.5	Banco Zarate (1,000)	1,000	0	0
12	5.0	Swiss Reins Corp.	414	+4	10	1.8	Banco Paraguayo	1,000	0	0
12	5.0	Wolfsberg & Co.	1,000	+10	10	1.8	Banco Uruguayo	1,000	0	0
12	5.0	Winterthur	700	+10	50	1.5	Banco Zarate	1,000	0	0
12	5.0	Zurich Ins.	0,650	+100	40	8.0	Bankunion	1,000	0	0
12	5.0						Alsas Hornes	1,000	0	0
12	5.0						Babcock	1,000	0	0
12	5.0						Cegsa	1,000	0	0
12	5.0						CGC	1,000	0	0
12	5.0						Grudenco	1,000	0	0
12	5.0						Industria	1,000	0	0
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Offered price includes all
bought through manager.
Net of tax on realized

أما: من الشجر

Businessman's Diary

U.K. TRADE FAIRS AND EXHIBITIONS

Date	Title	Venue
Current	Handicrafts and Do-It-Yourself Exh. (cl. Sept. 8)	Olympia
Sept. 2-4	Motor Cycle Exhibition (cl. Sept. 4)	Earls Court
Sept. 2-5	Control and Instrumentation Exhibition	West Court Hotel, W.6
Sept. 2-5	Northern Floor Coverings Fair	Harrgate Exbn. Centre
Sept. 4-9	Business and Light Aviation Show	Cranfield, Beds.
Sept. 7-11	Furnishings and Decorative Lighting Exhibition	Metropole, Brighton
Sept. 7-11	International Gift Trade Fair	Manchester
Sept. 8-12	Electro-Optical Systems and Lasers	U.S. Trade Centre, W.1
Sept. 9-11	Inst. of Groundsmanship Exhibition	Monsieur Park, Surrey
Sept. 9-12	Menswear Fashion Fair	Manchester
Sept. 9-20	Food, Cookery and Catering Exhibition	Cheltenham Town Hall
Sept. 9-20	Chelsea Antiques Fair	Leicester
Sept. 10-20	East Midlands Home Life Exhibition	Royal Lancaster Hotel, W.3
Sept. 14-18	International Watch and Jewellery Trade Fair	Earls Court
Sept. 15-19	Plant Engineering and Maintenance Exh.	Bloomsbury Centre Hotel
Sept. 16-18	Automatic Testing Exhibition and Conf.	Earls Court
Sept. 16-19	Dust Control and Air Cleaning Exh.	Olympia
Sept. 16-19	Foodpack International Exhibition	Aberdeen
Sept. 16-19	Filtration and Separation Exhibition	Harrgate Exbn. Centre
Sept. 16-19	Offshore Europe '75 Exh. and Conf.	Bloomsbury Centre Hotel
Sept. 21-24	Menswear Assn. of Britain Exhibition	Earls Court
Sept. 22-25	Electronic Instrument Exhibition	Metropole, Brighton
Sept. 23-25	London International Footwear Fair	Olympia
Sept. 23-25	Southern Floorcoverings Exhibition	Cunard Intl. Htl., W.6
Sept. 23-25	Below the Line - SPEC '75 Exh.	Olympia
Oct. 1-3	British Computer Society Datafair	Olympia
Oct. 1-8	Business Efficiency Exhibition	Olympia

OVERSEAS TRADE FAIRS AND EXHIBITIONS

Date	Title	Venue
Sept. 3-10	International Trade Fair	Floridiv, Bulgaria
Sept. 5-7	International Men's Wear Exhibition	Salzburg
Sept. 6-9	Women's, Children's and Men's Wear Exhibitions	Paris
Sept. 6-9	International Leather Fair	Paris
Sept. 7-10	International Fashion Trade Fair	Düsseldorf
Sept. 7-10	International Electrical Eng. Trade Fair	Basle
Sept. 8-10	International Engineering Fair	Brno, Czechoslovakia
Sept. 11-21	International Motor Show	Frankfurt
Sept. 12-21	Zagreb International Fair	Zagreb
Sept. 13-28	National Fair - Comptoir	Lausanne
Sept. 15-18	Design Engineering Exhibition	Tokyo
Sept. 18-19	British Textile Designers' Fair	Amsterdam
Sept. 20-23	International Hi-Fi Exhibition	Stockholm
Sept. 20-23	Pan-African Textile Exhibition	Abidjan, Ivory Coast
Sept. 20-23	Overseas Import Fair	Berlin
Oct. 2-8	World Telecommunication Exhibition	Geneva

BUSINESS AND MANAGEMENT CONFERENCES

Date	Title	Venue
To-day	Financial Times, Norwegian Journal of Commerce and Shipping, Svenska Dagbladet, Berlinke Tidende, Helsingin Sanomat and the Oil Daily: The Second Scandinavia and the North Sea Conference (cl. Sept. 2)	Oslo
To-day	Assn. Cert. Accts.: Fin. Planning (cl. Sept. 4)	Hotel Russell, W.C.1
To-day	Brunei Univ.: Work Negotiations (cl. Sept. 5)	Uxbridge, Middlesex
Sept. 2	Barry Mitchell and Pts.: Work Study (cl. Sept. 28)	Beeston, Notts.
Sept. 2-3	Economic Models: Europe Forecasts	30 Old Queen Street, S.W.1
Sept. 2-3	Henley Centre: Brain in the 1980s	Henley, Oxfordshire
Sept. 2-4	IPSC: Efficient Construction and Equip. Exh.	Park Court Hotel, W.2
Sept. 2-4	Nat. Eng. Laboratory: Energy Utilisation	Glasgow
Sept. 3-7	Inst. Met.: Materials in Petrochemicals	Runcorn, Cheshire
Sept. 3-7	AIA conf.: Accounting for Inflation	Trinity Coll., Cambridge
Sept. 5-12	IEE: Management in Engineering	London Grad. Bus. Sch., NW1
Sept. 7-26	W. D. Scott and Co.: Clerical Work Improvement	More Hall, Cockham, Berks.
Sept. 8-13	ICMA: Change Accounting and High Inflation	A Catherine's Coll., Camb.
Sept. 8-13	ASBridgman Coll.: Management Dev. Prog.	Berkhamstead, Herts.
Sept. 10-11	Financial Times and the Oil Daily: World Coal	Europa Hotel, W.1
Sept. 11-12	BIM: Effective Speaking	Park Street, W.C.2
Sept. 15-19	P-E Cons. Group: Leadership in Management	Essex, Surrey
Sept. 16-17	Financial Times and Institute of Chartered Accountants in England and Wales: Inflation Accounting - Implications of the Sandilands Report	London Hilton, W.1
Sept. 16-18	BACIE Annual Conference: Educated for What?	St. John's Coll., Cambridge
Sept. 17	Bus. and Ind. Trng.: Tax planning for Dentists	Royal Garden Hotel, W.8
Sept. 18	IPS: Health and Safety at Work Act	NFBE Centre, W.1
Sept. 22-24	ORC (U.K.): Expatiate Pay Policies	Chicago
Sept. 24	Arab Mkt. Res.: Selling to Arabian Peninsula	Birmingham Ch. Com.
Sept. 25	London Chamber of Commerce: Export Finance	Cafe Royal, W.1
Sept. 28	Stanford Res. Inst. Decision Analysis	Lake Como, Italy
Sept. 29-Oct. 1	Tack Org.: Finance for Non-Accountants	London, S.W.1

Caragao Depositary Receipts of ordinary shares

SANYO ELECTRIC CO., LTD.

The undersigned, acting as duly authorised Agent of Carneth Administration Company N.V., announce that at the Board of Directors' meeting held on the 8th July, 1975, it was decided to pay an interim dividend of Yen 3 per share for the 51st Fiscal term (December 1, 1974 to November 30, 1975).

This dividend will be payable, less 20% Japanese tax, as from the 2nd September, 1975, on the coupon no. 13 of the CDR's. Payment will be made at the undermentioned offices as follows:

\$ 4.02 per CDR of 10 depositary shares of 50 ord. shares
\$ 8.04 per CDR of 20 depositary shares of 50 ord. shares
\$40.20 per CDR of 100 depositary shares of 50 ord. shares

Residents of countries which have concluded a tax treaty with Japan may, only afterwards, claim a 5% tax refund in Japan. The coupons may be presented in:

London — The Sumitomo Bank Ltd., 5, Moorgate, London EC2R 6HU.
Hamburg — Bank Mees & Hope NV, Pelzerstrasse 2.
Paris — Banque de l'Union Européenne, 4, rue Caillou, 75 Paris 2e.
New York — Morgan Guaranty Trust Company of New York, 23 Wall Street, New York, N.Y. 10018.
Amsterdam — Bank Mees & Hope NV, Coupon Collection Dept., Keizersgracht 68S.

BANK MEES & HOPE NV
as duly authorised Agent of
Carneth Administration Company N.V.

1st September 1975

APPOINTMENTS

Barclays Bank group executive posts

BARCLAYS BANK has made the following appointments: Mr. Peter Maitland has become an executive director of Barclays Insurance Services Company, the insurance advisory member of the group. He is an insurance broker and a member of Lloyd's, and was previously with Glynvill Enthoven and Co., Mr. Benard Mattingly is now an executive director of Barclays International and Barclays Trust Channel Islands. He was previously manager of Barclays Bank Trust Company's City Investment Office in London.

Mr. W. J. Bellars has been appointed by BRITISH GAS as an assistant director at its London Research Station. He was formerly manager of the mathematics and computing division at the station.

Professor Samuel Elton has resigned as a non-executive director of SPENCER STUART AND ASSOCIATES, management consultants.

Mr. Frank Falck has joined the

Board of SANDERSON KATZER as financial director.

Sir Alexander Glen is to remain chairman of the BRITISH TOURIST AUTHORITY for a further year. Sir Mark Beale will be chairman of the ENGLISH TOURIST BOARD for a further three years.

Mr. E. L. Phipps and Mr. R. M. H. Widdowson have been made directors of Dashwood and Brewer and the name of the company has been changed to DASHWOOD BREWER AND PHIPPS.

Mr. A. L. Robinson has been appointed deputy managing director of LR INDUSTRIES, a division of LRC International. He was previously managing director of Hermite Rubber Company. Mr. S. Martin has been appointed director of export sales with LR Industries. He is joining the company from Coulter Electronics.

Mr. Brian J. Jenkins has been appointed marketing director on the Board of BOWATER-SCOTT CORPORATION. He was previously with Carreras Rothmans Tobacco Company.

Mr. A. K. Adams has been appointed to the Board of BRASWAY as financial director. He was previously financial director of the National Standard Company.

Mr. G. A. H. Rattray has retired from the Board of the NORTH BRITISH DISTILLERY COMPANY.

Having resigned from the Board

DALE CARNEGIE COURSES

MANAGEMENT DEVELOPMENT

EFFECTIVE COMMUNICATIONS

MOTIVATION

LEADERSHIP SKILLS

For information call

01 235 2719

GLYDE PORT AUTHORITY

INTERIM REPORT

The Clyde Port Authority this week announced their unaudited Group Financial Results for the first 24 weeks of the year.

Year to 31st Dec.

1975 1974

Gross Revenue £500 £500

Gross Expenditure 4,500 4,501

Gross Operating Surplus 1,749 1,545

Interest 372 387

Depreciation 373 317

Net Surplus 463 382

GLYDE PORT AUTHORITY, 16 Robertson Street, Glasgow G2 8DS

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NOTICE TO THE TRADE

INLAND CHARGES IN THE UNITED KINGDOM AND IRE

The undermentioned Lines hereby announce that the Tariff of Charges applied on inland transport on Full Container Load traffic moving between England, Scotland and Wales and the U.S. and Canadian West Coast Ports has been restructured and a new scale of charges will be implemented on October 1st, 1975. The restructuring of the Inland Tariff is not representative of a general increase, but has been undertaken for technical reasons only and is designed to provide a more consistent and rational basis of rating. Adjustments of Grid Rates have in some instances resulted in a decrease and in other instances in an increase.

The opportunity has also been taken of incorporating in the restructured Tariff, terms and conditions governing the basis of acceptance and inland transportation of traffic in Northern Ireland and the Republic of Ireland.

Full details may be obtained on application to the undermentioned Lines or their Agents.

Euro-pacific
Compagnie Générale Transatlantique
Hapag-Lloyd Aktiengesellschaft
Hanseatic-Vaasa Line
Johnson ScanStar
Rederiaktiebolaget Nordstjärnan (Johnson Line)
A/S Det Østasiatiska Kompagni (The East Asiatic Co., Ltd.)
Blue Star Line Ltd.
Sea-Land Service, Inc.
Seatrains International, S.A.
United States Lines, Inc.

Entertainment Guide

OPERA & BALLET

COLISEUM 01-535 3161
English National Opera
Tomor. 4.00, Fri. 7.30, Sat. 8.00
Rosenkavalier, Thurs. 8.00, Sat. 8.00
Siegfried, Fri. 8.00, Sat. 8.00

NEW VICTORIA THEATRE 01-534 0671
LONDON FESTIVAL BALLET
Sept. 1-13, Swan Lake
Sept. 15-21, The Nutcracker
Prod. Sir John Lough

THEATRES 01-535 7611
ADELPHI THEATRE
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FT Monthly Survey of Business Opinion

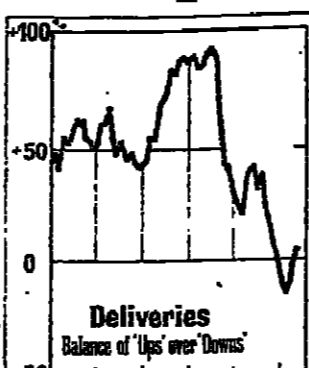
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GENERAL OUTLOOK

Less inflation expected

RISES IN WAGE costs are expected to fall back sharply as a result of the Government's new counter-inflation policy, and this has produced slightly greater optimism among companies about the general outlook for the economy. The feeling is only tentative, however, and the picture in industry and in the three sectors covered by the latest survey—non-electrical engineering, brewers and distillers and the paper industries—shows continuing recession.

Lower investment, higher unemployment and pressure on profit margins (though with an improvement in companies' liquidity situation) remain the major elements in the



immediate outlook. There is a rather less hopeful view than earlier of export prospects, though optimism in this area remains relatively high.

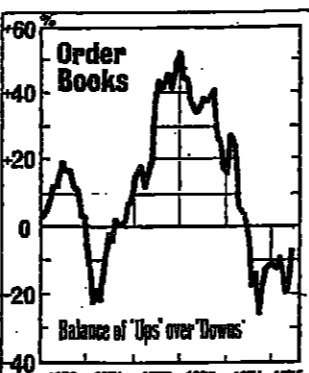
Both engineering and the paper and connected industries were more inclined to say that their view of the general business situation was more hopeful. Reactions tended to reflect individual company situations, however, with the order situation in particular influencing the views of engineering companies. The outlook for beer sales is affected by the prospect of rising unemployment.

ORDERS AND OUTPUT

Little recovery

THE OUTLOOK for production and turnover has deteriorated significantly in the past month, with new orders showing a slight but not very marked further decline. Both brewers and distillers and the paper industries now say that they expect virtually no increase in the volume of turnover over the next 12 months. In the engineering sector, few companies saw any sign of an upturn, and one suggested that this could be delayed until late next year.

The outlook is reflected in a median expected change of only 2 per cent in production compared with 3.1 per cent in the previous survey. Against



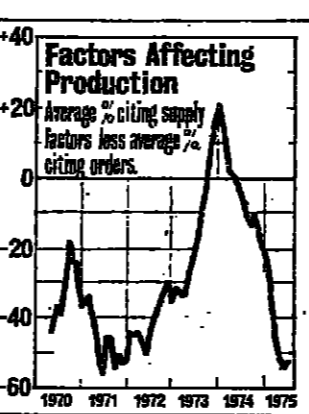
this, there has been a continued improvement in the level of recent deliveries. This reflects more optimistic answers from the brewery and distilling sector and less hopeful ones from engineering. In the paper and connected industries, printing sales were low and paint sales had been affected by the low level of industrial output.

Paper was also particularly inclined to report a reduced level of new orders over the past four months. The outlook for order books improved, however, after the previous fall, mainly because of special factors in the breweries sector.

CAPACITY AND STOCKS

Slower rundown of stocks

LACK OF DEMAND remains the main factor holding down production, but for the first time since the beginning of 1974 the index measuring the extent to which production is determined by demand rather than supply has shown a slight improvement. The signs are, however, that this may be the result only of acceptance of the current situation. A slight reduction in the tendency for companies to mention a shortage of home orders as a factor affecting production may arise simply because they feel the problem is no longer worth mentioning. Generally, supply



constraints are unimportant except labour disputes and short-

ages of skilled labour. There are some signs, though, that the sharp rundown in stocks this year could slow down. The tendency has been for companies to say that they now expect their stocks of manufactured goods and work in progress to increase over the next 12 months, though there is little expected change in stocks of raw materials and components. Replies to a further question on stocks in relation to sales trends show that three-fifths think they are now about right and only a third—against 38 per cent previously—feel they are too high.

CAPACITY WORKING

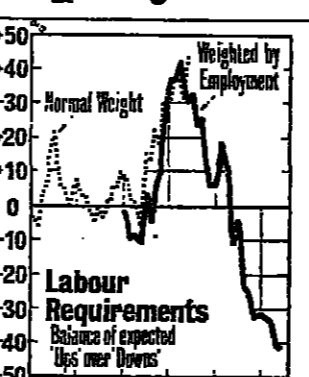
Those working at:

	May-Aug.	Apr.-July	Mar.-June	Feb.-May	Eng'g. (non-elec.)	Brews. & Distils.	Paper & Allied Ind.
Above target capacity	16	9	11	12	3	68	—
Planned output	36	37	29	35	66	17	15
Below target capacity	48	54	60	53	31	15	85
No answer	—	—	—	—	—	—	—

INVESTMENT AND LABOUR

Higher unemployment

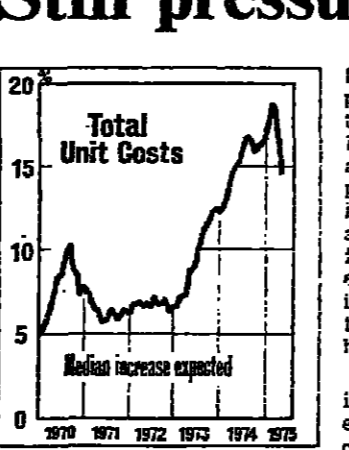
FURTHER RISES in the level of unemployment are again strongly indicated by the survey, though it is possible to detect a slight slow-down in the rate of the recent deterioration in the situation. Engineering firms in particular were rather more inclined to say that they expected their labour force to decrease over the next 12 months than they were last April, and the balance of expected "downs" over expected "ups" is still increasing.



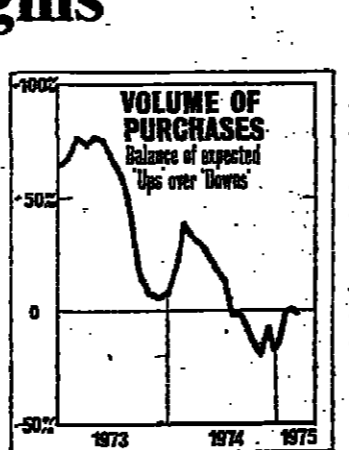
Expectations of capital investment have dropped slightly, but the picture generally remains little changed, with the balance of intentions significantly downwards in line with recent indications.

COSTS AND PROFIT MARGINS

Still pressure on margins



figures, 36 per cent now expect a drop in profit margins in the next 12 months. In engineering the effects of competition and the length of time to complete orders coupled with the inflationary climate were quoted as reasons with overheads and falling turnover, while the effect of the price code on brewing and distilling was mentioned as well as high overheads.



Indications of expected earnings on capital employed and earnings per share during the current year have also dropped below depressed views in both brewing and distilling and in paper and connected industries. More companies are now expecting falls in earnings per share than expect rises.

These surveys, which are carried out for the Financial Times by the Taylor Nelson Group, are based upon extensive interviews with top executives about their companies' situation and prospects. Three industries and some 30 companies are covered in turn

GENERAL BUSINESS SITUATION

	May-Aug.	Apr.-July	Mar.-June	Feb.-May	Eng'g. (non-elec.)	Brews. & Distils.	Paper & Allied Ind.
Are you more or less optimistic about your company's prospects than you were four months ago?							
More optimistic	24	24	23	20	32	2	16
Neutral	35	36	39	42	47	31	32
Less optimistic	41	40	35	35	21	67	52
No answer	—	—	—	—	—	—	—

EXPORT PROSPECTS (Weighted by Exports)

	May-Aug.	Apr.-July	Mar.-June	Feb.-May	Eng'g. (non-elec.)	Brews. & Distils.	Paper & Allied Ind.
Over the next 12 months exports will be:							
Higher	74	84	77	73	41	76	52
Same	70	8	12	12	20	—	44
Lower	11	8	13	15	19	24	4
Don't know	3	—	—	—	20	—	—

NEW ORDERS

	May-Aug.	Apr.-July	Mar.-June	Feb.-May	Eng'g. (non-elec.)	Brews. & Distils.	Paper & Allied Ind.
The trend of new orders in the last four months is:							
Up	30	25	21	19	16	68	—
Same	19	21	17	20	3	28	2
Down	42	37	38	37	63	4	86
No answer	9	17	24	24	18	—	12

PRODUCTION/SALES TURNOVER

	May-Aug.	Apr.-July	Mar.-June	Feb.-May	Eng'g. (non-elec.)	Brews. & Distils.	Paper & Allied Ind.
Those expecting production/sales turnover in the next 12 months to:							
Rise over 20%	4	3	3	4	—	—	—
Rise 15-19%	8	8	8	2	—	—	—
Rise 10-14%	2	2	2	3	9	—	1
Rise 5-9%	16	26	26	25	31	4	2
About the same	56	44	48	42	21	96	85
Fall 5-9%	7	7	2	16	—	—	6
Fall over 10%	1	3	3	—	—	—	—
No comment	6	5	8	5	37	—	6

STOCKS

	May-Aug.	Apr.-July	Mar.-June	Feb.-May	Eng'g. (non-elec.)	Brews. & Distils.	Paper & Allied Ind.
Raw materials and components over the next 12 months will:							
Increase	17	15	17	14	11	65	3
Stay about the same	49	54	52	49	21	33	39
Decrease	31	29	30	34	50	2	46
No comment	3	2	1	3	18	—	12
Manufactured goods over the next 12 months will:							
Increase	15	9	14	15	3	87	—
Stay about the same	34	40	39	44	8	11	52
Decrease	34	36	34	31	21	2	26
No comment	17	15	13	10	68	—	22

FACTORS CURRENTLY AFFECTING PRODUCTION

	May-Aug.	Apr.-July	Mar.-June	Feb.-May	Eng'g. (non-elec.)	Brews. & Distils.	Paper & Allied Ind.
Home orders	72	80	86	85	74	26	88
Export orders	44	47	40	36	34	24	37
Executive staff	5	4	4	6	—	6	—
Skilled factory staff	12	13	16	16	29	—	2
Manual Labour	6	6	2	1	—	—	—
Components	5	10	10	11	21	—	—
Raw materials	9	9	12	11	3	2	—
Production capacity (plant)	2	4	4	3	—	2	—
Finance	3	7	7	6	3	—	—
Others	1	—	—	—	18	—	—
Labour disputes	23	21	23	19	18	74	2
No answer/no factor	9	9	4	5	—	—	11

LABOUR REQUIREMENTS (Weighted by Employment)

	May-Aug.	Apr.-July	Mar.-June	Feb.-May	Eng'g. (non-elec.)	Brews. & Distils.	Paper & Allied Ind.
Those expecting their labour force over the next 12 months to:							
Increase	4	5	9	10	5	—	—
Stay about the same	50	50	48	47	48	6	68
Decrease	46	45	43	43	47	94	32
No comment	—	—	—	—	—	—	—

CAPITAL INVESTMENT (Weighted by Capital Expenditure)

	May-Aug.	Apr.-July	Mar.-June	Feb.-May	Eng'g. (non-elec.)	Brews. & Distils.	Paper & Allied Ind.
Those expecting capital expenditure over the next 12 months to:							
Increase in volume	—	—	—	—	38	—	19
Increase in value but not in volume	28	28	31	37	5	—	6
Stay about the same	27	27	21	16	—	1	39
Decrease	43	41	47	47	37	99	36
No comment	2	2	1	—	—	—	—

COSTS

	May-Aug.	Apr.-July	Mar.-June	Feb.-May	Eng'g. (non-elec.)	Brews. & Distils.	Paper & Allied Ind.
Wage costs over the next 12 months will rise by:							
0-4%	—	—	—	—	—	—	—
5-9%	5	—	—	—	18	—	52
10-14%	30	17	7	6	47	81	32
15-19%	24	23	20	21	—	17	12
20-24%	—	—	—	—	—	2	2
25-29%	36	54	65	60	—	—	—
30%+	—	—	—	—	3	—	—
Same	—	—	—	—	—	—	—
Decrease	—	—	—	—	—	—	—
No answer	5	6	8	13	32	—	2
Total units costs over the next 12 months will rise by:							
0-4%	—	—	—	—	—	—	—
5-9%	9	4	—	—	—	17	48
10-14%	23	13	15	31	21	72	43
15-19%	22	29	31	29	29	9	6
20-24%	23	32	32	—	8	—	2
25-29%	4	4	3	33	3	—	—
30%+	2	2	5	—	2	—	—
Same	1	1	1	—	—	—	—
Decrease	7	7	7	1	—	—	—
No answer	9	8	6	6	37	—	1

PROFIT MARGINS

	May-Aug.	Apr.-July	Mar.-June	Feb.-May	Eng'g. (non-elec.)
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INDUSTRIALS - Continued		PLANT	Div.
1	2	3	4
5	6	7	8
9	10	11	12
13	14	15	16
17	18	19	20
21	22	23	24
25	26	27	28
29	30	31	32
33	34	35	36
37	38	39	40
41	42	43	44
45	46	47	48
49	50	51	52
53	54	55	56
57	58	59	60
61	62	63	64
65	66	67	68
69	70	71	72
73	74	75	76
77	78	79	80
81	82	83	84
85	86	87	88
89	90	91	92
93	94	95	96
97	98	99	100

[illegible]

INDUSTRIALS—Continued

Dividends		Stock	Price	Last	Net	Vol	Cr	Gr	Pr	Dividends	Investment	Trunks						
Div	Div									Div	Stock	Price	Last	Net	Vol	Cr	Gr	Pr
5.42	5.7	July	Don't New Wm. S.	125	228	0.25	0	20	0	Nov.	June	43	12.98	1	1.15	1.15	1.15	1.15
5.42	5.7	July	Don't New Wm. S.	125	228	0.25	0	20	0	Nov.	June	43	12.98	1	1.15	1.15	1.15	1.15
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5.42	5.7	July	Don't New Wm. S.	125	228	0.25	0	20	0	Nov.	June	43	12.98	1	1.15	1.15	1.15	1.15
5.42	5.7	July	Don't New Wm. S.	125	228	0.25	0	20	0	Nov.	June	43	12.98	1	1.15	1.15	1.15	1.15
5.42	5.7	July	Don't New Wm. S.	125	228	0.25	0	20	0	Nov.	June	43	12.98	1	1.15	1.15	1.15	1.15
5.42	5.7	July	Don't New Wm. S.	125	228	0.25	0	20	0	Nov.	June	43	12.98	1	1.15	1.15	1.15	1.15
5.42	5.7	July	Don't New Wm. S.	125	228	0.25	0	20	0	Nov.	June	43	12.98	1	1.15	1.15	1.15	1.15
5.42	5.7	July	Don't New Wm. S.	125	228	0.25	0	20	0	Nov.	June	43	12.98	1	1.15	1.15	1.15	

PROPERTY—Continued

[illegible]

TRUSTS' FINANCE LAND

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TRUSTS—Continued

MINES									
CENTRAL RAND									
Dividends	Stock	Price	Last	Mo	Yr	Cr	Gr	Yr	Mo
Aug.	Feb. Durban Deep R.R.	800	20.00	19.00	19.00	19.00	19.00	19.00	19.00
Aug.	Feb. East Rand R.R.	50	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Aug.	Feb. West Rand R.R.	22.74	11.00	11.00	11.00	11.00	11.00	11.00	11.00
Aug.	Feb. East Rand R.R.	22.74	11.00	11.00	11.00	11.00	11.00	11.00	11.00
Aug.	Feb. West Rand R.R.	22.74	11.00	11.00	11.00	11.00	11.00	11.00	11.00
EASTERN RAND									
May	Nov. Bracken R.R.	274	7.40	7.40	7.40	7.40	7.40	7.40	7.40
Feb.	Nov. Bracken R.R.	16	21.12	21.12	21.12	21.12	21.12	21.12	21.12
Aug.	Feb. East Rand R.R.	1484	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Aug.	Feb. East Rand R.R.	225	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Aug.	Feb. East Rand R.R.	690	7.40	7.40	7.40	7.40	7.40	7.40	7.40
Aug.	Feb. East Rand R.R.	310	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Aug.	Feb. East Rand R.R.	400	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Aug.	Feb. East Rand R.R.	2104	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Sept.	Nov. Witwaters R.R.	77	10.00	10.00	10.00	10.00	10.00	10.00	10.00
FAR WEST RAND									
Feb.	Aug. Blyvoor R.R.	829	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Feb.	Aug. Blyvoor R.R.	2204	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Aug.	Feb. East Rand R.R.	1484	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Aug.	Feb. East Rand R.R.	225	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Aug.	Feb. East Rand R.R.	690	7.40	7.40	7.40	7.40	7.40	7.40	7.40
Aug.	Feb. East Rand R.R.	310	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Aug.	Feb. East Rand R.R.	400	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Aug.	Feb. East Rand R.R.	2104	10.00	10.00	10.00	10.00	10.00	10.00	10.00
Sept.	Nov. Witwaters R.R.	77	10.00	10.00	10.00	10.00	10.00	10.00	10.00
O.F.S.									
Sept.	Nov. Fr. State R.R.	300	10.00	10.00	10.00	10.00	10.00	10.00	10.00
May	Nov. F.S. Sappier R.R.	232	10.00	10.00	10.00	10.00	10.00	10.00	10.00
May	Nov. F.S. Sappier R.R.	635	10.00	10.00	10.00	10.00	10.00	10.00	10.00
May	Nov. F.S. Sappier R.R.	2244	10.00	10.00	10.00	10.00	10.00	10.00	10.00
May	Nov. F.S. Sappier R.R.	217	10.00	10.00	10.00	10.00	10.00	10.00	10.00
May	Nov. F.S. Sappier R.R.	272	10.00	10.00	10.00	10.00	10.00	10.00	10.00
May	Nov. F.S. Sappier R.R.	374	10.00	10.00	10.00	10.00	10.00	10.00	10.00
May	Nov. F.S. Sappier R.R.	3344	10.00	10.00	10.00	10.00	10.00	10.00	10.00
FINANCE									
May	Nov. Anglo Am. Ind. R.R.	545	10.00	10.00	10.00	10.00	10.00	10.00	10.00
May	Nov. Anglo Am. Ind. R.R.	1063	10.00	10.00	10.00	10.00	10.00	10.00	10.00
May	Nov. Anglo Am. Ind. R.R.	225	10.00	10.00	10				

1997, 1998, 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025, 2026, 2027, 2028, 2029, 2030, 2031, 2032, 2033, 2034, 2035, 2036, 2037, 2038, 2039, 2040, 2041, 2042, 2043, 2044, 2045, 2046, 2047, 2048, 2049, 2050, 2051, 2052, 2053, 2054, 2055, 2056, 2057, 2058, 2059, 2060, 2061, 2062, 2063, 2064, 2065, 2066, 2067, 2068, 2069, 2070, 2071, 2072, 2073, 2074, 2075, 2076, 2077, 2078, 2079, 2080, 2081, 2082, 2083, 2084, 2085, 2086, 2087, 2088, 2089, 2090, 2091, 2092, 2093, 2094, 2095, 2096, 2097, 2098, 2099, 2100, 2101, 2102, 2103, 2104, 2105, 2106, 2107, 2108, 2109, 2110, 2111, 2112, 2113, 2114, 2115, 2116, 2117, 2118, 2119, 2120, 2121, 2122, 2123, 2124, 2125, 2126, 2127, 2128, 2129, 2130, 2131, 2132, 2133, 2134, 2135, 2136, 2137, 2138, 2139, 2140, 2141, 2142, 2143, 2144, 2145, 2146, 2147, 2148, 2149, 2150, 2151, 2152, 2153, 2154, 2155, 2156, 2157, 2158, 2159, 2160, 2161, 2162, 2163, 2164, 2165, 2166, 2167, 2168, 2169, 2170, 2171, 2172, 2173, 2174, 2175, 2176, 2177, 2178, 2179, 2180, 2181, 2182, 2183, 2184, 2185, 2186, 2187, 2188, 2189, 2190, 2191, 2192, 2193, 2194, 2195, 2196, 2197, 2198, 2199, 2200, 2201, 2202, 2203, 2204, 2205, 2206, 2207, 2208, 2209, 2210, 2211, 2212, 2213, 2214, 2215, 2216, 2217, 2218, 2219, 2220, 2221, 2222, 2223, 2224, 2225, 2226, 2227, 2228, 2229, 2230, 2231, 2232, 2233, 2234, 2235, 2236, 2237, 2238, 2239, 2240, 2241, 2242, 2243, 2244, 2245, 2246, 2247, 2248, 2249, 2250, 2251, 2252, 2253, 2254, 2255, 2256, 2257, 2258, 2259, 2260, 2261, 2262, 2263, 2264, 2265, 2266, 2267, 2268, 2269, 2270, 2271, 2272, 2273, 2274, 2275, 2276, 2277, 2278, 2279, 2280, 2281, 2282, 2283, 2284, 2285, 2286, 2287, 2288, 2289, 2290, 2291, 2292, 2293, 2294, 2295, 2296, 2297, 2298, 2299, 2300, 2301, 2302, 2303, 2304, 2305, 2306, 2307, 2308, 2309, 2310, 2311, 2312, 2313, 2314, 2315, 2316, 2317, 2318, 2319, 2320, 2321, 2322, 2323, 2324, 2325, 2326, 2327, 2328, 2329, 2330, 2331, 2332, 2333, 2334, 2335, 2336, 2337, 2338, 2339, 2340, 2341, 2342, 2343, 2344, 2345, 2346, 2347, 2348, 2349, 2350, 2351, 2352, 2353, 2354, 2355, 2356, 2357, 2358, 2359, 2360, 2361, 2362, 2363, 2364, 2365, 2366, 2367, 2368, 2369, 2370, 2371, 2372, 2373, 2374, 2375, 2376, 2377, 2378, 2379, 2380, 2381, 2382, 2383, 2384, 2385, 2386, 2387, 2388, 2389, 2390, 2391, 2392, 2393, 2394, 2395, 2396, 2397, 2398, 2399, 2400, 2401, 2402, 2403, 2404, 2405, 2406, 2407, 2408, 2409, 2410, 2411, 2412, 2413, 2414, 2415, 2416, 2417, 2418, 2419, 2420, 2421, 2422, 2423, 2424, 2425, 2426, 2427, 2428, 2429, 2430, 2431, 2432, 2433, 2434, 2435, 2436, 2437, 2438, 2439, 2440, 2441, 2442, 2443, 2444, 2445, 2446, 2447, 2448, 2449, 2450, 2451, 2452, 2453, 2454, 2455, 2456, 2457, 2458, 2459, 2460, 2461, 2462, 2463, 2464, 2465, 2466, 2467, 2468, 2469, 2470, 2471, 2472, 2473, 2474, 2475, 2476, 2477, 2478, 2479, 2480, 2481, 2482, 2483, 2484, 2485, 2486, 2487, 2488, 2489, 2490, 2491, 2492, 2493, 2494, 2495, 2496, 2497, 2498, 2499, 2500, 2501, 2502, 2503, 2504, 2505, 2506, 2507, 2508, 2509, 2510, 2511, 2512, 2513, 2514, 2515, 2516, 2517, 2518, 2519, 2520, 2521, 2522, 2523, 2524, 2525, 2526, 2527, 2528, 2529, 2530, 2531, 2532, 2533, 2534, 2535, 2536, 2537, 2538, 2539, 2540, 2541, 2542, 2543, 2544, 2545, 2546, 2547, 2548, 2549, 2550, 2551, 2552, 2553, 2554, 2555, 2556, 2557, 2558, 2559, 2560, 2561, 2562, 2563, 2564, 2565, 2566, 2567, 2568, 2569, 2570, 2571, 2572, 2573, 2574, 2575, 2576, 2577, 2578, 2579, 2580, 2581, 2582, 2583, 2584, 2585, 2586, 2587, 2588, 2589, 2590, 2591, 2592, 2593, 2594, 2595, 2596, 2597, 2598, 2599, 2600, 2601, 2602, 2603, 2604, 2605, 2606, 2607, 2608, 2609, 2610, 2611, 2612, 2613, 2614, 2615, 2616, 2617, 2618, 2619, 2620, 2621, 2622, 2623, 2624, 2625, 2626, 2627, 2628, 2629, 2630, 2631, 2632, 2633, 2634, 2635, 2636, 2637, 2638, 2639, 2640, 2641, 2642, 2643, 2644, 2645, 2646, 2647, 2648, 2649, 2650, 2651, 2652, 2653, 2654, 2655, 2656, 2657, 2658, 2659, 2660, 2661, 2662, 2663, 2664, 2665, 2666, 2667, 2668, 2669, 2670, 2671, 2672, 2673, 2674, 2675, 2676, 2677, 2678, 26

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